



Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2016



CARROLLTON
T E X A S

CITY OF CARROLLTON, TEXAS

Comprehensive Annual Financial Report
For the Year Ended September 30, 2016



Front Row (L-R): Councilmember Anthony Wilder, City Manager Leonard Martin, Mayor Matthew Marchant, Councilmember Bob Garza

Back Row (L-R): Deputy Mayor Pro Tem Steve Babick, Councilmember James Lawrence, Councilmember Glen Blanscet, Councilmember John Sutter, Mayor Pro Tem Doug Hrbacek

City Manager
Leonard Martin

**Assistant City Manager/
Chief Financial Officer**
Robert B. Scott, CPA

Prepared by
Finance Department
Pamela Hodges, CPA
Controller

CITY OF CARROLLTON, TEXAS

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CITY OF CARROLLTON, TEXAS

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January 23, 2017

The Honorable Mayor and Members of the City Council
City of Carrollton
Carrollton, Texas

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report for the City of Carrollton, Texas for the fiscal year ended September 30, 2016.

This report provides the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Grant Thornton LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

CITY PROFILE

Location

Located in northwest Dallas, southeast Denton, and southwest Collin counties, Carrollton is only 14 miles from downtown Dallas and 10 miles northeast of the Dallas-Fort Worth International Airport. Carrollton is readily accessible via Interstate 35E on the west, the Dallas North Tollway on the east, the President George Bush Turnpike and State Highway 121. Interstate Highway 635 is only two

miles south of the city limits. The City encompasses approximately 37 square miles with 34 square miles of developable land which is approximately 98% developed.

The City is a home rule city operating under the Council-Manager form of government. The City Council is comprised of the Mayor and seven Council members, who enact local laws, determine policies and adopt the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standard Board. Based on these criteria, no other governmental organizations are included in this report.

Services Provided

The City provides to its citizens those services that have proven to be necessary and meaningful and which the City at the least cost can provide. Major services provided under general government and enterprise functions are: police and fire protection, emergency ambulance service, water and sewer services, sanitation services, park and recreational facilities, library services, street improvements and general administrative services. The City also offers a 36-hole golf course and an aggressive economic development service. Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, risk management, and employee health and disability coverage.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the City Council shall adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are posted electronically monthly for City departmental and divisional management.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Regional Economy

The Dallas-Fort Worth Metroplex's (DFW) economy growth was strong in November with employment rate above the state and nation rate. The Federal Reserve Bank of Dallas reported in their December 2016 D-FW Economic Indicators update:

“DFW year-to-date job growth of 2.7 percent is more than a full percentage point faster than that of the state (1.6 percent) and the U.S. (1.5 percent). In November, the unemployment rate dipped to 4.1 percent in Dallas and 3.2 percent in Fort Worth. Both figures remain lower than the U.S. rate, which edged down to 4.6 percent.”

In October 2016, the Emerging Trends in Real Estate published by the Urban Land Institute ranked the DFW area as the second market to watch for growth:

“The Dallas/Fort Worth area is perceived as a business-friendly environment that offers an attractive cost of doing business, an adequate and well-educated workforce, and world-class transportation access by air, rail, and road. The economy has continued to diversify and has exposure to growing medical facilities and an expanding technology sector.”

Carrollton's Position in the Region

Carrollton is home to a diversified group of manufacturing and distribution firms. Products manufactured range from oil well equipment to high tech components. Distribution and service operations are equally diversified. This diversification is evident in the fact that the top ten taxpayers represent less than 5% of assessed valuation in the City.

The City also benefits from a well-educated and affluent workforce. According to U.S. Census Bureau's 2015 American Community Survey, Carrollton's median household income of \$69,368 compares favorably to \$59,946 for DFW and \$53,207 for Texas. Also according to the survey, the workforce is educated with 36.7% of the population having a bachelor's degree or more, compared to 32.0% for DFW and 27.6% for Texas.

The following facts reflect Carrollton's economic condition and outlook:

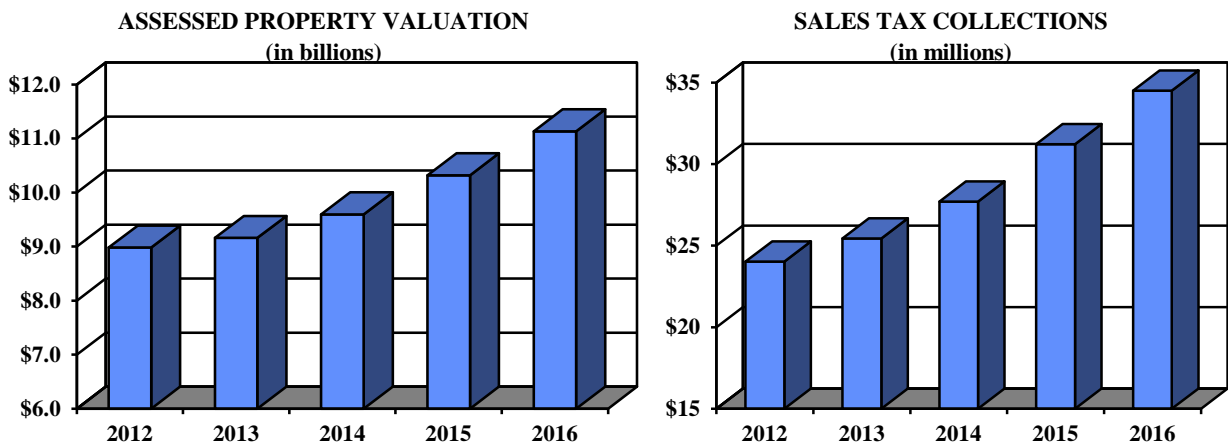
Carrollton ranks in the top cities in the region in creating the highest number of new jobs, the total new development square footage, and the number of businesses moving to Carrollton, including the expansion of current businesses. The economic cornerstone is the well-balanced residential and business tax base.

Carrollton ranks high in the state for a quality of work environment. As of September 2016, with unemployment at 5.0% nationally, 4.8% statewide and 4.1% in Dallas-Fort Worth, Carrollton's unemployment was 3.6%.

Carrollton has five major business parks - Valwood Industrial Park, Frankford Trade Center, Austin Ranch, International Business Park and Trinity Mills Industrial Park. Valwood Industrial Park and the Frankford Trade Center are among the premier industrial parks in the Dallas/Fort Worth area.

Total certified taxable value, not including estimated value for property under protest, for all residential and commercial property in the City was approximately \$11.1 billion for fiscal year 2016, a 7.9% increase from the previous year.

Sales tax collections totaled \$34,512,467 in fiscal year 2016, a 10.5% increase from the previous year.



Future Economic Outlook

Through December, fiscal year 2017 sales taxes have increased by 5.6% compared to the same period in fiscal year 2016. While benefiting from the recent increases, the City also recognized its exposure to decreases and adopted a sales tax mitigation strategy whereby a portion of sales tax is dedicated to non-recurring capital expenditures. For fiscal year 2017, property valuations increased 8.8%, with an 11.1% increase in residential property and 7.2% increase in commercial and industrial properties.

Carrollton has approximately 601 acres of vacant land ready for future development with 374 of those acres currently zoned for commercial and industrial use. This bodes well for the City as these uses generally require a lower level of City services while providing a higher level of revenue to the City as compared to the typical residential development.

Carrollton's economic future is not without challenges. The City is no longer an outer ring suburb that can simply rely on construction on vacant land to fuel growth in tax base and the economy. As it approaches single family residential build out and vacant commercial tracts become scarce, the City must invest more heavily than ever to keep Carrollton an attractive place to live and work. The City Council, recognizing these trends, has adopted strategic goals that create a vision for the City's future. To obtain this vision the City has:

- Dramatically reduced its workforce from 1,016 full time authorized positions in fiscal year 2001 to 832 for fiscal year 2016 by eliminating duplicate positions, leveraging technology, outsourcing non-core services that can be performed more efficiently by the private sector and implementing a managed competition program to improve efficiency.
- The savings from this restructuring has been reinvested in the community through increased capital expenditures, increased code enforcement and neighborhood reinvestment programs.
- Aggressively pursued transit-oriented development related to light rail which arrived in the City in December 2010. Carrollton's multiple rail lines will allow it to eventually become one of three mass transit rail hubs in the Metroplex.
- Maintained conservative financial policies and strong financial position that will allow it to react quickly to development opportunities.

Long-term financial planning

The City Council has adopted a series of financial standards and policies for operating and debt management. Management of the City has made every effort to comply with these standards and policies and believe we are currently in compliance.

Fiscal year 2016 was most significantly impacted by a financial policy that limits the amount of sales tax that can be used in a given year for operating purposes. Sales tax is the City's second largest General Fund revenue and also one of its most volatile. It has been the City's experience that rapid increases in sales tax revenues are often followed by rapid declines. Creating a "cap" for the amount of sales tax that can be used in a given year for operating purposes allows the City to manage this volatility, promotes a healthy pay as you go infrastructure re-investment program and

protects the city from rapid revenue declines during times of economic downturns. For fiscal year 2016, sales tax exceeded the “cap” for operating purposes by approximately \$10 million. This excess will be used for one-time non-recurring purposes.

Annually a Multi-Year Budget is presented to the City Council as part of the budget process. This document forecasts the operating, debt service and fleet replacement fund operations for the upcoming three years. Additionally, a multi-year Capital Plan is prepared and presented to the City Council as part of the annual budget process.

Major budget initiatives in fiscal year 2016 included:

- Capital funding of over \$58 million for new capital projects funded from debt issuance, non-recurring sources and tax revenue.
- Reduction in the property tax rate by \$0.0025 due to strong growth in the tax base.

In addition, the City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, it has adjusted benefits and significantly stepped up funding to ensure the long-term sustainability of the plan. For retiree health care, it has implemented a defined contribution structure for any employees with less than 20 years of service as of January 1, 2009. These changes were designed to provide a highly competitive but sustainable benefit to our employees without shifting costs to future tax payers.

OTHER INFORMATION

Independent Audit

Article II, Section 2.18 of the City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the independent auditor's report has been included in this report.

Additionally, the City has a Finance/Audit Committee as a sub-committee of the City Council which functions as an audit committee and hears and reviews all recommendations made by the independent auditors.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 27 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

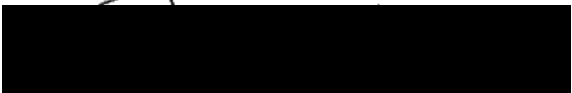
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

We would like to thank the members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,



Robert B. Scott, CPA
Assistant City Manager/Chief Financial Officer



Pamela M. Hodges, CPA
Controller

CITY OF CARROLLTON, TEXAS

City Council

Matthew Marchant, Mayor

Doug Hrbacek, Mayor Pro Tem, Place 3

Steve Babick, Deputy Mayor Pro Tem, Place 6

James Lawrence
- Place 1

Anthony Wilder
- Place 2

Bob Garza
- Place 4

Glen Blanscet
- Place 5

John Sutter
- Place 7

City Manager

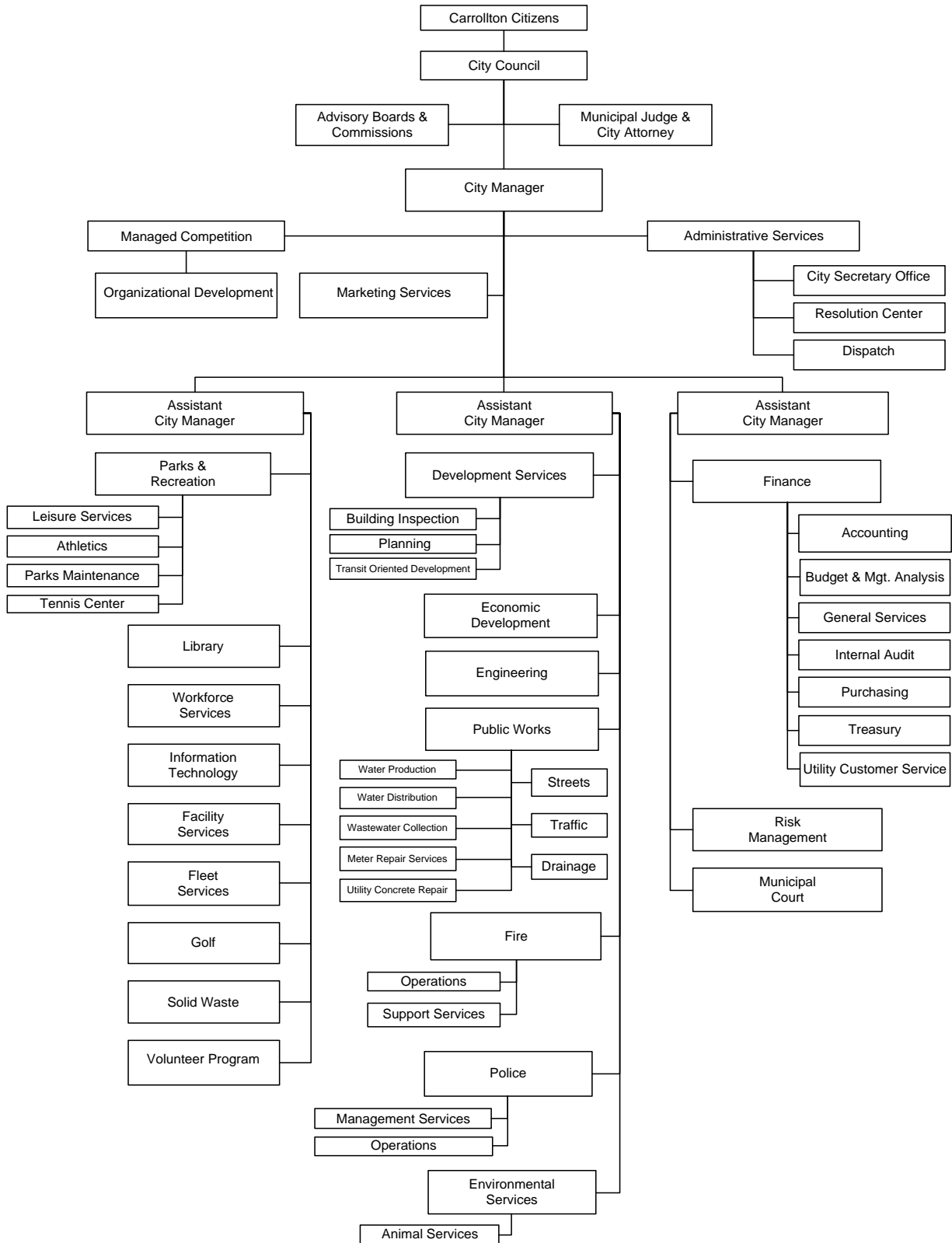
Leonard Martin

Assistant City Manager/Chief Financial Officer

Robert B. Scott, CPA

CITY OF CARROLLTON, TEXAS

Organizational Chart September 30, 2016





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Carrollton
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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The Honorable Mayor, City Council, and City Manager
The City of Carrollton, Texas

Report on the financial statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Texas (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Texas as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 16, the Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios on page 63, the Texas Municipal Retirement System Schedule of Contributions on pages 64 through 65, and the Retiree Health Plan Schedule of Funding Progress on page 66, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements, individual non-major fund financial statements, and individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

The introductory section, statistical section, and continuing financial disclosure tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 23, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Dallas, Texas
January 23, 2017

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2016

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

January 23, 2017

As management of the City of Carrollton, we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2016. In the broadest context, the financial well being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so that the City's tax base, service levels, City assets and the City's desirability will be maintained not just for the current year but well into the future. Financial reporting is limited in its ability to provide this "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and or expenses/expenditures higher or lower than the previous year? Has net position (containing both short and long term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, (pages i-vii of this report) and the statistical section (pages 111-134 of this report) as well as information on the City's Council's Strategic Goals, the annual budget and other community information found on the City's website at www.cityofcarrollton.com. It should be noted that the Independent Auditors' Report describes the auditors' association with the various sections of this report and that all of the additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

IN BRIEF

- The net position of the City at the close of the most recent fiscal year was \$498,395. This number must be viewed in the context that the vast majority of the City's net position of \$351,366 (70.5%) is the net investment in capital assets and that most capital assets in a government do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totals \$7,878 (1.6%). The remaining \$139,151 (27.9%) is the unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. Unrestricted net position increased by \$7,464 in fiscal year 2016.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$140,282. Within this total \$19,982 is restricted by specific legal requirements, such as by debt covenants and \$98,958 has been committed and assigned to specific types of expenditures. The remaining \$21,342 is unassigned fund balance in the general fund and can be used for any lawful purpose.
- The City's long-term liabilities increased by \$31,373 due primarily to the issuance of bonds for capital improvements partially offset by existing debt retirements and a significant increase in the

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2016

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

net pension liability due to adoption of more conservative assumptions and an investment return that was significantly below expectations.

- The City has continued to see a consistent and robust growth in its revenues. The Economic Factors and Next Year's Budget section on the last page of this discussion provide additional information on the subject.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements 3) notes to the financial statements and 4) required supplementary information which includes this management's discussion and analysis and multi-year funding progress on the City's pension plan and retiree health plan. In addition to the basic financial statements, this report also contains other supplementary information as listed in the Table of Contents.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, development services, and cultural and recreation. The business-type activities of the City include Water and Sewer, Golf Course and Sanitation operations. The government-wide financial statements can be found on pages 17-18 of this report.

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2016

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

Fund financial statements - A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are also the primary focus of the annual budget process. All of the funds of the City can be divided into two categories- governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Non-financial assets such as governmental buildings, roads, drainage ways, park land and long-term liabilities such as bonds payable or long term liabilities that will not be paid with current assets are excluded. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 11 governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Debt Service, Streets and Drainage, and General and Public Facilities funds, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the Comprehensive Annual Financial Report. The basic governmental funds financial statements can be found on pages 19-23.

Proprietary Funds - The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, golf and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management and employee health and disability programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer, Golf Course, and Sanitation funds, since all are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in the Comprehensive Annual Financial Report. The basic proprietary fund financial statements can be found on pages 24-27 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-62.

Other Information – In addition to the basic financial statements and accompanying notes, the basic financial statements contain required supplementary information including this discussion and analysis and information concerning the City's progress in funding its obligations to provide pension and retiree health benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position and especially net position by category may serve over time as a useful indicator of a government's financial position. The City's net position was \$498,395 as of September 30, 2016.

The largest portion of the City's net position \$351,366 (70.5%) reflects its investments in capital assets (e.g., land, building, equipment, improvements and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending, and with exception of business type assets, do not generate direct revenue for the City. They do represent, however, an obligation on the part of the City to maintain these assets into the future. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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An additional portion of the City's net position of \$7,878 (1.6%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$139,151 (27.9%) may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF CARROLLTON'S NET POSITION

(Amounts in Thousands)

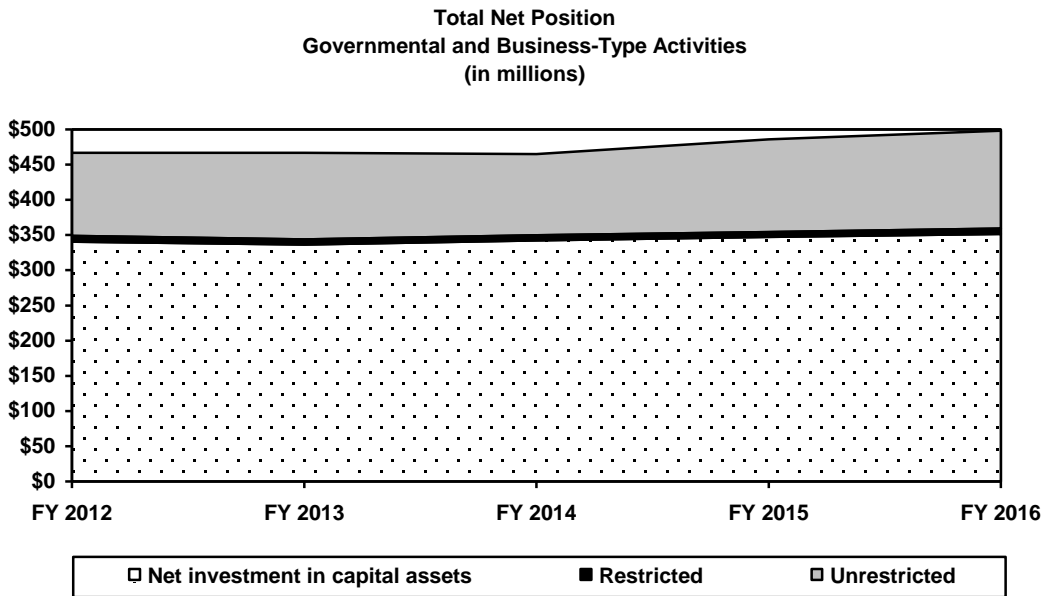
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Current and other assets	\$ 166,548	\$ 172,982	\$ 31,076	\$ 33,060	\$ 197,624	\$ 206,042
Capital assets, net	<u>379,661</u>	<u>400,818</u>	<u>131,970</u>	<u>127,769</u>	<u>511,631</u>	<u>528,587</u>
Total Assets	<u>546,209</u>	<u>573,800</u>	<u>163,046</u>	<u>160,829</u>	<u>709,255</u>	<u>734,629</u>
Deferred outflows of resources	<u>9,723</u>	<u>31,083</u>	<u>537</u>	<u>1,439</u>	<u>10,260</u>	<u>32,522</u>
Long term liabilities	197,315	229,025	15,927	15,590	213,242	244,615
Other liabilities	<u>13,367</u>	<u>16,110</u>	<u>5,346</u>	<u>6,284</u>	<u>18,713</u>	<u>22,394</u>
Total Liabilities	<u>210,682</u>	<u>245,135</u>	<u>21,273</u>	<u>21,874</u>	<u>231,955</u>	<u>267,009</u>
Deferred inflows of resources	<u>1,496</u>	<u>1,674</u>	<u>64</u>	<u>73</u>	<u>1,560</u>	<u>1,747</u>
Net Position:						
Net investment in capital assets	229,579	236,475	117,735	114,891	347,314	351,366
Restricted	5,539	6,452	1,460	1,426	6,999	7,878
Unrestricted	<u>108,636</u>	<u>115,147</u>	<u>23,051</u>	<u>24,004</u>	<u>131,687</u>	<u>139,151</u>
Total Net Position	<u>\$ 343,754</u>	<u>\$ 358,074</u>	<u>\$ 142,246</u>	<u>\$ 140,321</u>	<u>\$ 486,000</u>	<u>\$ 498,395</u>

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As of September 30, 2016, the City has positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



The current and other assets increased in the Governmental activities by \$6,434 and in the Business-type activities by \$1,984. Increase in the Governmental activities assets is primarily due to unspent proceeds from issuance of debt and accumulation of other funds for future capital purchases. Increase in the Business-type activities is primarily due to the accumulation of pay as you go funds for on-going rehabilitation and replacement of water and sewer assets.

The City’s long-term liabilities increased by \$31,373 due primarily to the issuance of bonds for capital improvements partially offset by existing debt retirements and an increase in the net pension liability due to the adoption of more conservative assumptions and investment return that was significantly below expectation.

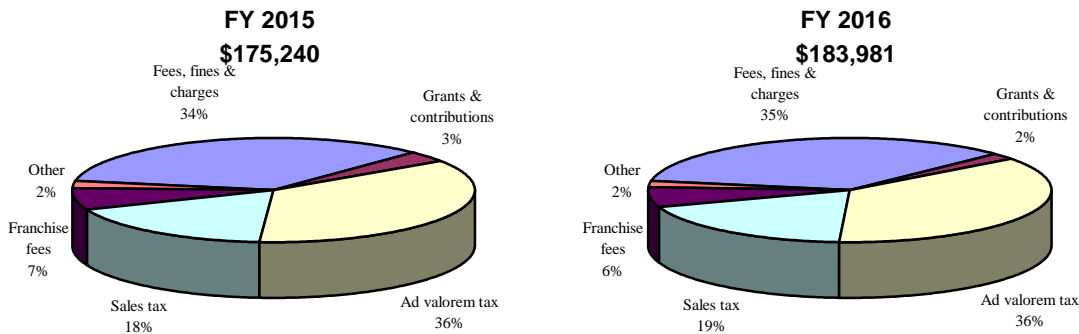
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Analysis of the City’s Operations – Overall the City had an increase in net position of \$12,395 or 2.6%.

**Changes in Net Position
 Revenue by Major Category
 Governmental and Business-Type Activities**



Governmental Activities: Governmental activities net position increased by \$14,320. Net investment in capital assets increased by \$6,896 or 3.0%. Restricted net position increased \$913 or 16.5%. Unrestricted net position increased by \$6,511 or 6.0%.

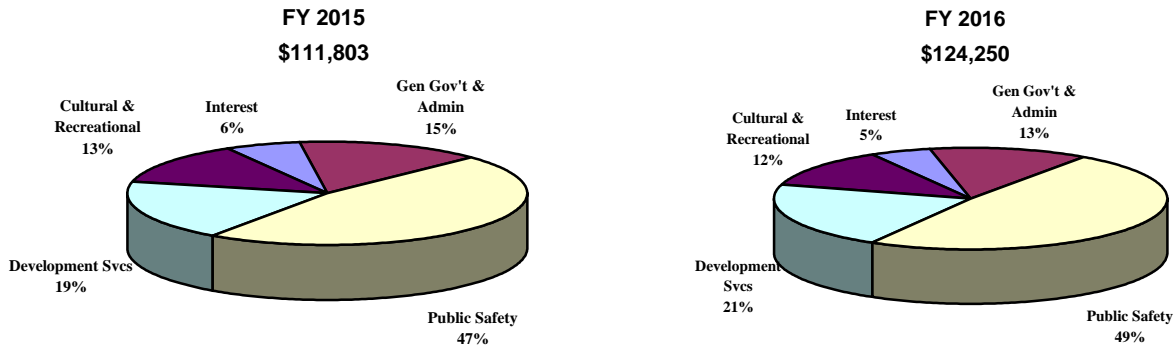
Excluding transfers from business-type activities, total revenues for governmental activities increased from the previous year by \$5,455. General revenue (excluding transfers) had a net increase of \$7,096 or 6.5%. In General Revenues, ad valorem tax experienced an increase of \$4,700 due to an increase in assessed valuations from both new construction and increases in existing values. Additionally, an increase was seen in sales taxes of \$3,274. Other general revenues decreased by \$878, primarily due to decline in gain on sale of capital assets. Program revenues had a \$1,641, or 8.1%, net decrease primarily due to a decrease in capital contributions from developers. Net transfers from the business type activities to governmental activities decreased by \$1,067 from the previous year.

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Expenses by Type Governmental Activities



Total expenses for governmental activities increased \$12,447 or 11.1% primarily due to increase in Public Safety and Development Services activities. Increase in Public Safety activities is primarily due to personal services costs from staffing additions and increases in the pension liability due to adoption of more conservative assumptions and an investment return that was significantly below expectations. Increase in the Development Service activities is primarily due to capital project funds' capital outlays which were not eligible for capitalization.

Business-type Activities: Net position from business-type activities decreased by \$1,925 or 1.4% from \$142,246 to \$140,321. Net investment in capital assets decreased by \$2,844 or 2.4% due to capital asset depreciation partially offset by capital additions and retirement of related debt. Restricted net position decreased by \$34 due to reduction in the required reserve for revenue bonds. Unrestricted net position increased by \$953 or 4.1%.

CITY OF CARROLLTON, TEXAS

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The following table provides a summary of the City's operations for year ended September 30, 2016 with comparative totals for year ended September 30, 2015.

CITY OF CARROLLTON'S CHANGES IN NET POSITION (Amounts in Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Revenues:						
Program Revenues:						
Fees, fines and charges for services	\$ 16,220	\$ 15,913	\$ 44,090	\$ 47,830	\$ 60,310	\$ 63,743
Operating grants and contributions	60	325	-	-	60	325
Capital grants and contributions	3,916	2,317	2,028	1,561	5,944	3,878
General revenues:						
Ad valorem taxes	61,991	66,691	-	-	61,991	66,691
Sales tax	31,238	34,512	-	-	31,238	34,512
Occupancy tax	211	244	-	-	211	244
Franchise fees	11,769	11,779	-	-	11,769	11,779
Investment earnings net of change in fair value of investments	1,202	1,280	206	186	1,408	1,466
Gain on sale of capital assets	1,307	123	35	37	1,342	160
Miscellaneous	793	978	174	205	967	1,183
Total revenues	<u>128,707</u>	<u>134,162</u>	<u>46,533</u>	<u>49,819</u>	<u>175,240</u>	<u>183,981</u>
Expenses:						
General government and administration	16,607	15,894	-	-	16,607	15,894
Public safety	52,733	59,993	-	-	52,733	59,993
Development services	21,534	26,751	-	-	21,534	26,751
Cultural and recreational	14,678	15,487	-	-	14,678	15,487
Interest on long term debt	6,251	6,125	-	-	6,251	6,125
Water and Sewer	-	-	35,091	38,169	35,091	38,169
Golf	-	-	1,354	1,770	1,354	1,770
Sanitation	-	-	6,001	7,397	6,001	7,397
Total expenses	<u>111,803</u>	<u>124,250</u>	<u>42,446</u>	<u>47,336</u>	<u>154,249</u>	<u>171,586</u>
Increase (decrease) in net position before transfers	16,904	9,912	4,087	2,483	20,991	12,395
Transfers	5,475	4,408	(5,475)	(4,408)	-	-
Increase (decrease) in net position	<u>22,379</u>	<u>14,320</u>	<u>(1,388)</u>	<u>(1,925)</u>	<u>20,991</u>	<u>12,395</u>
Net position October 1	<u>321,375</u>	<u>343,754</u>	<u>143,634</u>	<u>142,246</u>	<u>465,009</u>	<u>486,000</u>
Net position September 30	<u>\$ 343,754</u>	<u>\$ 358,074</u>	<u>\$ 142,246</u>	<u>\$ 140,321</u>	<u>\$ 486,000</u>	<u>\$ 498,395</u>

CITY OF CARROLLTON, TEXAS

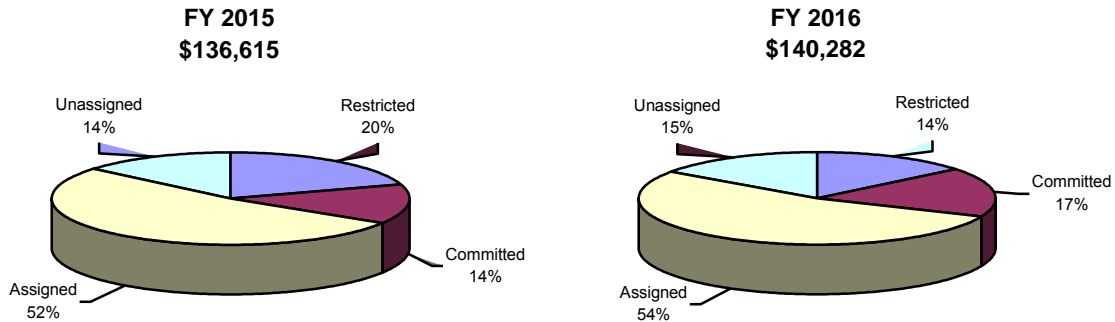
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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

Fund Balances by Type Governmental Funds



At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$140,282. Within this total \$19,982 is restricted by specific legal requirements, such as by debt covenants, and \$98,958 has been committed and assigned to specific types of expenditures. The remaining \$21,342 is unassigned fund balance in the general fund and can be used for any lawful purpose.

In the general fund, the City originally budgeted for a fund balance decrease in the current year of \$556. It is one of the City's financial policies to maintain fund balance in the general fund equal to 60 days expenditures and when those balances significantly exceed the 60 day target to transfer the excess to capital project funds to fund pay-as-you-go capital expenditures. Due to actual expenditures being less than originally budgeted and revenues being more than originally budgeted, transfers out were increased and the actual budget basis fund balance change was an increase for fiscal year 2016 of \$2,598. During the year the City continued to experience an increase in its sales tax revenue, the general fund's second largest revenue. The nature of sales tax in Texas is discussed in note 6 on pages 47-48 of this report. A majority of the increase is due to a general increase in economic activity across several sectors including construction supplies and equipment, on-line sales, and technology related sales and services. In order to manage this increase in a volatile revenue source, the city council adopted a financial policy to transfer sales tax received in excess of the amount budgeted for recurring purposes to capital projects funds to be used for one-time capital expenditures. Strong sales tax growth combined with the City's continued emphasis on expenditure control including close monitoring of expenditures in the final days of the

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fiscal year resulted in the increase in fund balance. The fund balance exceeding the City's financial policy of 60 days will be addressed during the fiscal year 2018 budget deliberations.

Debt service fund balance increased in 2016 by \$394. Streets and Drainage Capital Projects and General and Public Facilities Capital Projects fund balances decreased in 2016 by \$1,003 and \$1,459, respectively primarily due to capital outlay expenditures partially offset by issuance of general obligation bonds and the receipt of transfers in from other funds.

Proprietary funds - The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective enterprise funds are \$23,248 for Water and Sewer, \$639 for Golf Course and \$392 for Sanitation. The total of all enterprise funds' unrestricted net position of \$24,279 is reduced by \$275 for the consolidation of the internal service fund activities related to enterprise funds to equal the total unrestricted net position for business-type activities in the entity-wide statements of \$24,004. Change in net position for enterprise funds in 2016 were (\$2,874) in the Water and Sewer Fund, \$1,332 in the Golf Course Fund and (\$211) in the Sanitation Fund.

General Fund Budgetary Highlights - The City made revisions to the original appropriations approved by the City Council. Overall these changes resulted in a decrease in budgeted expenditures from the original budget of 2.0% or \$1,880. Management's estimate of the General Fund's budgeted revenues increased \$4,072 or 4.2% from original budget based on year-to-date experience.

PENSIONS AND RETIREE HEALTHCARE

Pensions and retiree health care continue to receive negative media attention as governments around the nation struggle to fund these commitments. The City is committed to providing programs in these areas that are fair to both employees and taxpayers and that can be sustained over the long term.

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous uniform measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used including strategies for repaying any unfunded actuarial accrued liabilities combined with the City's history of making those contributions provides insights regarding the City's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis,

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the City's financial statements reflect a Net Pension Liability as of September 30, 2016 of \$32,246 which is 61% of the City's annual covered payroll of \$52,561.

Retiree health care's actuarially accrued liability has been calculated in accordance with GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", to be \$10,925 as of December 31, 2015, an increase of \$6,125 from the previous biennial valuation. This increase is due to a catastrophic retiree claim that appears likely to require continued payments each year for the foreseeable future. The city's defined benefit retiree health plan is closed to new participants and liabilities should begin to decline as more current retirees leave the plan with fewer new retirees being eligible to participate.

CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of September 30, 2016, amounts to \$528,587 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, equipment, intangibles, improvements, and infrastructure and construction in progress. The total increase in the City's investment in capital assets, net of accumulated depreciation, for the current fiscal year was 3.3% (5.6% increase for governmental activities and 3.2% decrease in business-type activities.)

Capital Assets at Year-end Net of Accumulated Depreciation

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Land	\$ 102,448	\$ 102,489	\$ 2,368	\$ 2,378	\$ 104,816	\$ 104,867
Buildings	26,493	28,335	3,468	3,263	29,961	31,598
Equipment	13,154	20,637	2,384	3,109	15,538	23,746
Intangibles	285	331	19	109	304	440
Improvements	28,342	28,268	135	823	28,477	29,091
Infrastructure	201,197	211,373	123,264	118,087	324,461	329,460
Construction in Progress	7,742	9,385	332	-	8,074	9,385
Total	\$ 379,661	\$ 400,818	\$ 131,970	\$ 127,769	\$ 511,631	\$ 528,587

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Major capital asset events during the current fiscal year included the following:

- Acquisition of vehicles and equipment totaling \$12.3 million, including \$9.82M of public safety equipment and vehicles and \$1.53 million of public works equipment. The public safety equipment included communication equipment totaling \$6.8M.
- Parks and recreation improvements totaling \$2.27 million, including \$702 thousand for the golf course rebuild.
- Water and sewer system infrastructure improvements totaling \$1.64 million, including \$108 thousand in developer contributions.
- Street and Alley Improvements of \$17.02 million, including \$474 thousand in developer contributions.
- Drainage Improvements of \$1.65 million including \$324 thousand in developer contributions and \$1.11 million for the Marsh Elevated Storage Tank recoating.

Additional information on the City’s capital assets can be found in note 4 on pages 41-42 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total bonded debt of \$192,533. Of this amount, \$178,955 comprises bonded debt backed by the full faith and credit of the government and \$13,578 represents bonds secured solely by water and sewer revenues.

**Outstanding Debt at Year End
Bonds and Notes Payable**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
General Obligation						
Bonds	\$ 172,659	\$ 178,955	\$ -	\$ -	\$ 172,659	\$ 178,955
Revenue Bonds	-	-	14,937	13,578	14,937	13,578
Total	<u>\$ 172,659</u>	<u>\$ 178,955</u>	<u>\$ 14,937</u>	<u>\$ 13,578</u>	<u>\$ 187,596</u>	<u>\$ 192,533</u>

During the fiscal year, the City’s total debt increased by \$4,937 or 2.6% due to issuance of \$33,818 (including premium) of a new General Obligation Bond new money and refunding issue offset by existing debt retirements, defeasance of debt and amortization of premiums of \$28,881.

As a water distribution and sewer collection utility, the City does not have any debt outstanding related to water and sewer treatment. However, it does have long-term contracts with its regional suppliers that have outstanding debt related to the provision of these services. Table 14 “Direct and Contractually

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Obligated - Property Tax and Revenue Debt" found on page 127 lists the City's pro-rata share of debt that is contractually obligated.

The City's General Obligation and Waterworks and Sewer System Revenue Bond ratings are listed below.

	Standard & Poor's	Fitch
General Obligation Bonds	AAA	AAA
Revenue Bonds	AAA	AAA

Additionally, several of the City's Bonds are insured. Additional information on the City's long term-debt can be found in footnote 5 on pages 43-47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In the fiscal year 2017 Budget, General Fund revenues are budgeted to increase by 4.0% from the fiscal year 2016 final budget with ad valorem taxes making up 39.5% of General Fund budgeted revenues. Certified assessed valuations, including estimated values on properties under protest, increased 8.8% for the fiscal year 2017 budget compared to a 7.9% increase in the previous year's budget. In response to this growth, the City Council reduced the tax rate by 1.5%. Sales taxes are budgeted to increase by 2% from the fiscal year 2016 final budget.

In this coming fiscal year, the City's budget continues to benefit from the strong economy. The City continues to develop commercially and is aggressively pursuing Transit Oriented Development opportunities with light rail service to the City which opened in December 2010. Sales tax receipts, the most volatile revenue source continued to see growth in fiscal year 2016 with a 10.5% increase.

The Water and Sewer Operating Fund is budgeted in fiscal year 2017 to operate at a net deficit of \$1,418 based on available fund balance exceeding financial standards. Rates increases averaging 4% on water rates and sewer rates were adopted effective February 1, 2017.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attn: Controller, at P.O. Box 110535, Carrollton, Texas 75011-0535, e-mail at controller@cityofcarrollton.com or call (972) 466-3110.

CITY OF CARROLLTON, TEXAS

Government-wide Statement of Net Position
September 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 134,052,073	\$ 22,176,447	\$ 156,228,520
Receivables (net of allowance for doubtful accounts):			
Ad valorem taxes	19,950	-	19,950
Sales taxes	2,829,211	-	2,829,211
Franchise fees	3,185,361	-	3,185,361
Accounts	-	5,486,121	5,486,121
Accrued interest	312,531	47,416	359,947
Other	989,347	156,858	1,146,205
Due from other governments	310,240	557,072	867,312
Internal balances	274,617	(274,617)	-
Inventories	49,494	55,032	104,526
Prepaid items	192,587	910	193,497
Equity interest in joint venture	1,443,590	-	1,443,590
Land held for redevelopment	3,596,468	-	3,596,468
Restricted assets:			
Cash, cash equivalents and investments	25,726,614	4,854,800	30,581,414
Capital assets:			
Land	102,488,838	2,377,918	104,866,756
Buildings	70,307,126	19,648,327	89,955,453
Equipment	41,743,231	7,410,090	49,153,321
Intangibles	6,316,175	868,612	7,184,787
Improvements	47,053,063	11,900,768	58,953,831
Infrastructure	291,888,188	239,589,258	531,477,446
Construction in progress	9,385,440	-	9,385,440
Accumulated depreciation	(168,363,766)	(154,025,430)	(322,389,196)
Total assets	573,800,378	160,829,582	734,629,960
Deferred outflows of resources			
Deferred charges on refundings	1,910,920	153,750	2,064,670
Pension contributions after measurement date	5,070,085	223,937	5,294,022
Difference in projected and actual earnings on pension assets	20,797,028	915,094	21,712,122
Changes in actuarial assumptions used to determine pension liability	3,305,282	145,989	3,451,271
Total deferred outflows of resources	31,083,315	1,438,770	32,522,085
Liabilities			
Accounts payable	14,539,276	3,401,792	17,941,068
Pollution remediation obligation	58,590	-	58,590
Customer deposits payable	-	2,664,146	2,664,146
Accrued interest	835,601	218,491	1,054,092
Unearned revenue	676,519	-	676,519
Noncurrent liabilities:			
Due within one year	17,208,899	1,466,393	18,675,292
Due in more than one year	211,816,209	14,123,761	225,939,970
Total liabilities	245,135,094	21,874,583	267,009,677
Deferred inflows of resources			
Difference in expected and actual pension experience	1,674,332	72,551	1,746,883
Net position			
Net investment in capital assets	236,475,739	114,890,769	351,366,508
Restricted for:			
Debt service	3,856,159	1,426,329	5,282,488
Capital projects	770,029	-	770,029
Special revenue	1,825,818	-	1,825,818
Unrestricted	115,146,522	24,004,120	139,150,642
Total net position	\$ 358,074,267	\$ 140,321,218	\$ 498,395,485

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Government-wide Statement of Activities
For the Year Ended September 30, 2016

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government and administration	\$ 15,894,255	\$ 276,789	\$ -	\$ -	\$ (15,617,466)	\$ -	\$ (15,617,466)
Public safety	59,993,080	10,225,750	124,027	258,461	(49,384,842)	-	(49,384,842)
Development services	26,750,336	2,642,431	-	1,773,811	(22,334,094)	-	(22,334,094)
Cultural and recreational	15,487,148	2,767,833	200,789	285,276	(12,233,250)	-	(12,233,250)
Interest on long-term debt	6,125,135	-	-	-	(6,125,135)	-	(6,125,135)
Total governmental activities	124,249,954	15,912,803	324,816	2,317,548	(105,694,787)	-	(105,694,787)
Business-type activities:							
Water and sewer	38,169,394	37,361,058	-	1,003,684	-	195,348	195,348
Golf	1,770,254	976,527	-	557,072	-	(236,655)	(236,655)
Sanitation	7,396,452	9,492,356	-	-	-	2,095,904	2,095,904
Total business-type activities	47,336,100	47,829,941	-	1,560,756	-	2,054,597	2,054,597
Total government	\$ 171,586,054	\$ 63,742,744	\$ 324,816	\$ 3,878,304	(105,694,787)	2,054,597	(103,640,190)
General revenues:							
Taxes:							
Ad valorem					66,690,804	-	66,690,804
Sales					34,512,467	-	34,512,467
Occupancy					243,946	-	243,946
Franchise fees based upon gross receipts					11,778,705	-	11,778,705
Investment earnings net of change in fair value of investments					1,280,470	186,142	1,466,612
Gain on sale of capital assets					123,312	37,256	160,568
Miscellaneous					977,691	204,467	1,182,158
Transfers					4,407,582	(4,407,582)	-
					120,014,977	(3,979,717)	116,035,260
Total general revenues and transfers					14,320,190	(1,925,120)	12,395,070
Change in net position					343,754,077	142,246,338	486,000,415
Net position at beginning of year					\$ 358,074,267	\$ 140,321,218	\$ 498,395,485
Net position at end of year							

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Balance Sheet
 Governmental Funds
 September 30, 2016

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 21,541,433	\$ 4,704,456	\$ 51,570,744	\$ 44,501,609	\$ 21,500,835	\$ 143,819,077
Receivables (net, where applicable, of allowance for doubtful accounts):						
Ad valorem taxes	13,489	6,461	-	-	-	19,950
Sales taxes	2,829,211	-	-	-	-	2,829,211
Franchise fees	3,096,925	-	-	88,436	-	3,185,361
Accrued interest	113,247	-	83,764	61,372	27,465	285,848
Other	183,760	-	-	685,919	-	869,679
Due from other governments	27,543	-	10,410	53,089	219,198	310,240
Prepaid items	-	-	-	-	67,220	67,220
Land held for redevelopment	-	-	-	3,596,468	-	3,596,468
Total assets	\$ 27,805,608	\$ 4,710,917	\$ 51,664,918	\$ 48,986,893	\$ 21,814,718	\$ 154,983,054
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 6,240,255	\$ 19,157	\$ 2,411,373	\$ 4,280,739	\$ 1,073,477	\$ 14,025,001
Unearned revenue	10,337	-	618,407	-	47,775	676,519
Total liabilities	6,250,592	19,157	3,029,780	4,280,739	1,121,252	14,701,520
Fund balances:						
Restricted for:						
Debt service	-	4,691,760	-	-	-	4,691,760
Streets and drainage	-	-	5,196,877	-	-	5,196,877
Public facilities	-	-	-	6,607,230	-	6,607,230
Other capital projects	-	-	-	49,435	1,617,429	1,666,864
Other purposes	-	-	-	-	1,825,818	1,825,818
Committed to:						
Street rehabilitation	-	-	20,249,854	-	-	20,249,854
Other capital projects	-	-	-	-	4,026,554	4,026,554
Assigned to:						
Streets and drainage	-	-	23,188,407	-	-	23,188,407
Public facilities	-	-	-	38,049,489	-	38,049,489
Other capital projects	-	-	-	-	12,776,330	12,776,330
Other purposes	213,086	-	-	-	447,335	660,421
Unassigned	21,341,930	-	-	-	-	21,341,930
Total fund balances	21,555,016	4,691,760	48,635,138	44,706,154	20,693,466	140,281,534
Total liabilities and fund balances	\$ 27,805,608	\$ 4,710,917	\$ 51,664,918	\$ 48,986,893	\$ 21,814,718	\$ 154,983,054

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position
September 30, 2016

Total fund balance - total governmental funds \$ 140,281,534

Amounts reported for governmental activities in the statement of net position are different because:

Equity investment in Joint Venture is not a current financial resource and therefore are not reported in the governmental funds balance sheet. 1,443,590

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. Includes capital assets of Internal Service Funds. 400,818,295

Deferred outflows of resources are not reported in the governmental funds:

Deferred charges on refundings	1,910,920	
Pension contributions after measurement date	5,070,085	
Difference in projected and actual earnings on pension assets	20,797,028	
Changes in actuarial assumptions used to determine pension liability	3,305,282	31,083,315

Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position (net of amount allocated to business-type activities, capital assets and long term liabilities).

Internal Service Fund balances not included in other reconciling items:

Current assets	\$ 16,280,822	
Accounts payable	(514,275)	
Net amount allocated to business-type activities	274,617	16,041,164

Pollution remediation obligation on long-term debt does not require current financial resources and, therefore, is not reported as a liability in the governmental funds balance sheet. (58,590)

Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet. (835,601)

Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet. Includes Internal Service Funds' non-current liabilities.

Due within one year	\$ 17,208,899	
Due in more than one year	211,816,209	(229,025,108)

Deferred inflows of resources are not reported in the governmental funds:

Difference in expected and actual pension experience		(1,674,332)
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Net position of governmental activities \$ 358,074,267

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended September 30, 2016

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Ad valorem	\$ 38,015,944	\$20,815,092	\$ 3,769,254	\$ -	\$ 3,797,989	\$ 66,398,279
Penalty and interest	236,093	56,432	-	-	-	292,525
Sales	34,512,467	-	-	-	-	34,512,467
Occupancy	-	-	-	-	243,946	243,946
Franchise fees	11,412,565	-	-	366,140	-	11,778,705
Assessments	-	-	9,087	-	323,795	332,882
Charges for services	5,892,576	-	-	-	217,956	6,110,532
Intergovernmental	96,015	-	385,176	281,598	1,081,715	1,844,504
Licenses and permits	3,038,325	-	-	-	35,335	3,073,660
Fines and forfeitures	5,714,631	-	-	146,914	534,184	6,395,729
Investment earnings net of change in fair value of investments	460,909	(2,459)	342,682	261,165	113,073	1,175,370
Miscellaneous	529,415	-	120,360	165,195	162,721	977,691
Total revenues	<u>99,908,940</u>	<u>20,869,065</u>	<u>4,626,559</u>	<u>1,221,012</u>	<u>6,510,714</u>	<u>133,136,290</u>
Expenditures:						
Current:						
General government and administration	14,014,017	-	-	-	-	14,014,017
Public safety	52,651,617	-	-	-	252,423	52,904,040
Development services	10,840,186	-	-	-	73,167	10,913,353
Cultural and recreational	11,320,937	-	-	-	604,254	11,925,191
Capital outlay	-	-	16,623,331	20,726,240	6,725,787	44,075,358
Debt service:						
Principal retirement	-	13,980,000	-	-	-	13,980,000
Interest and fiscal charges	-	6,727,253	-	-	-	6,727,253
Total expenditures	<u>88,826,757</u>	<u>20,707,253</u>	<u>16,623,331</u>	<u>20,726,240</u>	<u>7,655,631</u>	<u>154,539,212</u>
Excess (deficiency) of revenues over expenditures	<u>11,082,183</u>	<u>161,812</u>	<u>(11,996,772)</u>	<u>(19,505,228)</u>	<u>(1,144,917)</u>	<u>(21,402,922)</u>
Other financing sources (uses):						
Bonds issued	-	116,854	6,863,146	7,900,000	2,800,000	17,680,000
Refunding bonds issued	-	11,435,000	-	-	-	11,435,000
Premium on bonds issued	-	2,212,386	2,490,316	-	-	4,702,702
Payment to refunded bond escrow agent	-	(13,532,110)	-	-	-	(13,532,110)
Sale of capital assets	-	-	36,838	-	-	36,838
Transfers in	5,165,841	-	2,621,311	11,059,150	1,610,155	20,456,457
Transfers out	(13,779,016)	-	(1,017,361)	(912,686)	-	(15,709,063)
Total other financing sources (uses)	<u>(8,613,175)</u>	<u>232,130</u>	<u>10,994,250</u>	<u>18,046,464</u>	<u>4,410,155</u>	<u>25,069,824</u>
Net change in fund balances	<u>2,469,008</u>	<u>393,942</u>	<u>(1,002,522)</u>	<u>(1,458,764)</u>	<u>3,265,238</u>	<u>3,666,902</u>
Fund balances at beginning of year	<u>19,086,008</u>	<u>4,297,818</u>	<u>49,637,660</u>	<u>46,164,918</u>	<u>17,428,228</u>	<u>136,614,632</u>
Fund balances at end of year	<u>\$ 21,555,016</u>	<u>\$ 4,691,760</u>	<u>\$ 48,635,138</u>	<u>\$ 44,706,154</u>	<u>\$ 20,693,466</u>	<u>\$ 140,281,534</u>

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of
 Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2016

Net change in fund balances - total governmental funds \$ 3,666,902

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period. 34,926,582

The net effect of various transactions involving capital assets.

Capital contributions	\$ 797,860	
Asset retirements/disposals	<u>(37,372)</u>	760,488

Depreciation expense on capital assets is reported in the government-wide statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds. (16,003,501)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonds issued	\$ (29,115,000)	
Premium on bonds issued	(4,702,702)	
Payment to refunding bond escrow agent	13,532,110	
Bond principal retirement	13,980,000	
Accrued interest on Bonds Payable	(19,616)	
Amortization of bond premiums/discounts	797,853	
Amortization of deferred charges on refundings	<u>(176,119)</u>	(5,703,474)

Expenditures are recognized in the governmental funds when paid are due for items not normally paid with available financial resources. However, the Statement of Activities is presented on a accrual basis and expenses reported when incurred. This amount is the net effect of these differences.

Compensated absences expenses	(332,119)	
Pollution remediation obligation costs	46,826	
Pension costs, net	<u>(3,272,527)</u>	(3,557,820)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities net of amount allocated to business-type activities and depreciation expense.

Change in net position	\$ (1,992,775)	
Net of amount allocated to business activities	171,648	
Depreciation expense	<u>2,052,140</u>	<u>231,013</u>

Change in net position of governmental activities \$ 14,320,190

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2016

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Taxes:						
Ad valorem	\$ 37,600,495	\$ 37,865,000	\$ 38,015,944	\$ -	\$ 38,015,944	\$ 150,944
Penalty and interest	200,000	250,000	236,093	-	236,093	(13,907)
Sales	31,628,000	35,111,993	34,512,467	-	34,512,467	(599,526)
Franchise fees	11,345,046	11,241,602	11,412,565	-	11,412,565	170,963
Charges for services	5,150,462	5,582,789	5,892,576	-	5,892,576	309,787
Intergovernmental	-	-	96,015	-	96,015	96,015
Licenses and permits	2,937,969	3,043,206	3,038,325	-	3,038,325	(4,881)
Fines and forfeitures	6,400,700	5,975,303	5,714,631	-	5,714,631	(260,672)
Investment earnings net of change in fair value of investments	261,450	433,000	460,909	10,434	471,343	38,343
Miscellaneous	665,900	759,500	529,415	-	529,415	(230,085)
Total revenues	96,190,022	100,262,393	99,908,940	10,434	99,919,374	(343,019)
Expenditures:						
Current:						
General government and administration	18,146,719	16,013,943	14,014,017	(31,472)	13,982,545	2,031,398
Public safety	51,979,936	52,862,071	52,651,617	(27,446)	52,624,171	237,900
Development services	11,389,955	11,138,099	10,840,186	(46,799)	10,793,387	344,712
Cultural and recreational	12,031,023	11,653,077	11,320,937	(12,927)	11,308,010	345,067
Total expenditures	93,547,633	91,667,190	88,826,757	(118,644)	88,708,113	2,959,077
Excess (deficiency) of revenues over expenditures	2,642,389	8,595,203	11,082,183	129,078	11,211,261	2,616,058
Other financing sources (uses):						
Transfers in	5,344,087	5,324,032	5,165,841	407,630	5,573,471	249,439
Transfers out	(8,542,044)	(15,032,915)	(13,779,016)	(407,630)	(14,186,646)	846,269
Total other financing sources (uses)	(3,197,957)	(9,708,883)	(8,613,175)	-	(8,613,175)	1,095,708
Net change in fund balances	(555,568)	(1,113,680)	2,469,008	129,078	2,598,086	3,711,766
Fund balances at beginning of year	18,741,660	18,741,660	19,086,008	(344,348)	18,741,660	-
Fund balances at end of year	\$ 18,186,092	\$ 17,627,980	\$ 21,555,016	\$ (215,270)	\$ 21,339,746	\$ 3,711,766

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Net Position
 Proprietary Funds
 September 30, 2016

	Business Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 21,368,487	\$ 64,160	\$ 743,800	\$ 22,176,447	\$ 15,959,610
Receivables (net where applicable of allowance for doubtful accounts)					
Accounts	4,450,829	-	1,035,292	5,486,121	-
Accrued interest	43,030	-	4,386	47,416	26,683
Other	-	156,858	-	156,858	119,668
Due from other governments	-	557,072	-	557,072	-
Inventories	-	55,032	-	55,032	49,494
Prepaid items	-	910	-	910	125,367
Restricted assets:					
Cash and cash equivalents	3,428,471	-	-	3,428,471	-
Total current assets	<u>29,290,817</u>	<u>834,032</u>	<u>1,783,478</u>	<u>31,908,327</u>	<u>16,280,822</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	1,426,329	-	-	1,426,329	-
Capital assets:					
Land	1,382,918	995,000	-	2,377,918	-
Buildings	18,038,700	1,609,627	-	19,648,327	176,409
Equipment	4,982,482	967,305	1,460,303	7,410,090	20,603,977
Intangibles	868,612	-	-	868,612	104,714
Improvements	-	11,900,768	-	11,900,768	-
Infrastructure	239,589,258	-	-	239,589,258	-
Accumulated depreciation	(139,366,148)	(13,267,619)	(1,391,663)	(154,025,430)	(12,363,918)
Total capital assets, net of accumulated depreciation	<u>125,495,822</u>	<u>2,205,081</u>	<u>68,640</u>	<u>127,769,543</u>	<u>8,521,182</u>
Total noncurrent assets	<u>126,922,151</u>	<u>2,205,081</u>	<u>68,640</u>	<u>129,195,872</u>	<u>8,521,182</u>
Total assets	<u>156,212,968</u>	<u>3,039,113</u>	<u>1,852,118</u>	<u>161,104,199</u>	<u>24,802,004</u>
Deferred outflows of resources					
Deferred charges on refundings	153,750	-	-	153,750	-
Pension contributions after measurement date	223,937	-	-	223,937	-
Difference in projected and actual earnings on pension assets	915,094	-	-	915,094	-
Changes in actuarial assumptions used to determine pension liability	145,989	-	-	145,989	-
Total deferred outflows of resources	<u>1,438,770</u>	<u>-</u>	<u>-</u>	<u>1,438,770</u>	<u>-</u>
Liabilities					
Current liabilities:					
Accounts payable	1,815,592	194,738	1,391,462	3,401,792	514,275
Estimated health claims payable	-	-	-	-	1,038,000
Customer deposits payable	2,664,146	-	-	2,664,146	-
Revenue bonds payable	1,409,120	-	-	1,409,120	-
Compensated absences	57,273	-	-	57,273	-
Accrued interest	218,491	-	-	218,491	-
Total current liabilities	<u>6,164,622</u>	<u>194,738</u>	<u>1,391,462</u>	<u>7,750,822</u>	<u>1,552,275</u>
Noncurrent liabilities:					
Revenue bonds payable	12,169,237	-	-	12,169,237	-
Net pension liability	1,346,172	-	-	1,346,172	-
Compensated absences	608,352	-	-	608,352	32,606
Other post employment benefits obligation	-	-	-	-	1,835,904
Long-term risk liability	-	-	-	-	1,585,644
Total noncurrent liabilities	<u>14,123,761</u>	<u>-</u>	<u>-</u>	<u>14,123,761</u>	<u>3,454,154</u>
Total liabilities	<u>20,288,383</u>	<u>194,738</u>	<u>1,391,462</u>	<u>21,874,583</u>	<u>5,006,429</u>
Deferred inflow of resources					
Difference in expected and actual pension experience	72,551	-	-	72,551	-
Net Position					
Net investment in capital assets	112,617,048	2,205,081	68,640	114,890,769	8,521,182
Restricted for:					
Revenue bond retirement	1,426,329	-	-	1,426,329	-
Unrestricted	23,247,427	639,294	392,016	24,278,737	11,274,393
Total net position	<u>\$ 137,290,804</u>	<u>\$ 2,844,375</u>	<u>\$ 460,656</u>	<u>140,595,835</u>	<u>\$ 19,795,575</u>
Reconciliation to government-wide statement of net position:					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(274,617)	
Net position of business-type activities				<u>\$ 140,321,218</u>	

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended September 30, 2016

	Business Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Operating revenues:					
Charges for services	\$ 37,361,058	\$ 976,527	\$ 9,492,356	\$ 47,829,941	\$ 17,157,335
Miscellaneous	204,467	-	-	204,467	-
Total operating revenues	<u>37,565,525</u>	<u>976,527</u>	<u>9,492,356</u>	<u>48,034,408</u>	<u>17,157,335</u>
Operating expenses:					
Personal services	4,160,938	-	-	4,160,938	168,538
Supplies and services	23,830,734	1,503,591	7,161,356	32,495,681	16,794,362
Utilities	874,429	141,637	-	1,016,066	27,544
Allocations	1,209,405	10,395	89,542	1,309,342	55,572
Depreciation	7,443,949	114,768	146,030	7,704,747	2,052,140
Total operating expenses	<u>37,519,455</u>	<u>1,770,391</u>	<u>7,396,928</u>	<u>46,686,774</u>	<u>19,098,156</u>
Income (loss) from operations	<u>46,070</u>	<u>(793,864)</u>	<u>2,095,428</u>	<u>1,347,634</u>	<u>(1,940,821)</u>
Nonoperating revenues (expenses):					
Intergovernmental	-	557,072	-	557,072	-
Investment earnings net of change in fair value of investments	172,784	(110)	13,468	186,142	105,100
Gain on sale/retirement of capital assets	37,256	-	-	37,256	123,312
Interest expense	(477,678)	-	-	(477,678)	-
Total nonoperating revenues (expenses)	<u>(267,638)</u>	<u>556,962</u>	<u>13,468</u>	<u>302,792</u>	<u>228,412</u>
Income (loss) before contributions and transfers	<u>(221,568)</u>	<u>(236,902)</u>	<u>2,108,896</u>	<u>1,650,426</u>	<u>(1,712,409)</u>
Capital contributions	1,003,684	-	-	1,003,684	-
Transfers in	6,660	1,902,758	-	1,909,418	52,786
Transfers out	<u>(3,663,133)</u>	<u>(334,159)</u>	<u>(2,319,708)</u>	<u>(6,317,000)</u>	<u>(333,152)</u>
Change in net position	<u>(2,874,357)</u>	<u>1,331,697</u>	<u>(210,812)</u>	<u>(1,753,472)</u>	<u>(1,992,775)</u>
Net position at beginning of year	<u>140,165,161</u>	<u>1,512,678</u>	<u>671,468</u>		<u>21,788,350</u>
Net position at end of year	<u>\$ 137,290,804</u>	<u>\$ 2,844,375</u>	<u>\$ 460,656</u>		<u>\$ 19,795,575</u>
Reconciliation to government-wide statement of activities:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(171,648)</u>	
Change in net position of business-type activities				<u>\$ (1,925,120)</u>	

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended September 30, 2016

	Business -Type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Cash flows from operating activities:					
Cash received from customers for services	\$ 37,924,078	\$ 819,669	\$ 9,402,842	\$ 48,146,589	\$ -
Cash received from employees for services	-	-	-	-	1,553,739
Cash received from other funds for services	-	-	-	-	15,554,164
Cash received from loss claim recoveries	-	-	-	-	711,383
Other operating cash receipts	204,467	-	-	204,467	-
Cash payments to suppliers for goods and services	(25,131,312)	(1,545,307)	(6,571,742)	(33,248,361)	(5,088,136)
Cash payments to employees for services	(3,429,794)	-	-	(3,429,794)	(148,977)
Cash payment for loss claims	-	-	-	-	(11,055,919)
Cash payments to other funds for services	(1,390,686)	(11,566)	(74,136)	(1,476,388)	(65,477)
Net cash provided (used) by operating activities	<u>8,176,753</u>	<u>(737,204)</u>	<u>2,756,964</u>	<u>10,196,513</u>	<u>1,460,777</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	-	1,902,758	-	1,902,758	-
Transfers to other funds	(3,663,133)	(334,159)	(2,319,708)	(6,317,000)	(333,152)
Net cash provided (used) by noncapital and related financing activities	<u>(3,663,133)</u>	<u>1,568,599</u>	<u>(2,319,708)</u>	<u>(4,414,242)</u>	<u>(333,152)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,228,148)	(940,045)	-	(3,168,193)	(1,390,623)
Proceeds from sale of capital assets	43,972	-	-	43,972	129,828
Interest paid on bonds	(574,205)	-	-	(574,205)	-
Retirement of bonds	(1,260,000)	-	-	(1,260,000)	-
Capital contributions	894,970	-	-	894,970	-
Net cash used by capital and related financing activities	<u>(3,123,411)</u>	<u>(940,045)</u>	<u>-</u>	<u>(4,063,456)</u>	<u>(1,260,795)</u>
Cash flows from investing activities:					
Interest on cash and cash equivalents	<u>153,822</u>	<u>333</u>	<u>11,133</u>	<u>165,288</u>	<u>94,528</u>
Net increase (decrease) in cash and cash equivalents	1,544,031	(108,317)	448,389	1,884,103	(38,642)
Cash and cash equivalents, October 1	24,679,256	172,477	295,411	25,147,144	15,998,252
Cash and cash equivalents, September 30	<u>\$ 26,223,287</u>	<u>\$ 64,160</u>	<u>\$ 743,800</u>	<u>\$ 27,031,247</u>	<u>\$ 15,959,610</u>

(Continued)

CITY OF CARROLLTON, TEXAS

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended September 30, 2016

	Business -Type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:					
Income (loss) from operations	\$ 46,070	\$ (793,864)	\$ 2,095,428	\$ 1,347,634	\$ (1,940,821)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:					
Depreciation	7,443,949	114,768	146,030	7,704,747	2,052,140
Provision for doubtful accounts	44,919	-	15,403	60,322	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	547,836	-	(89,511)	458,325	-
(Increase) decrease in other receivables	-	(156,858)	-	(156,858)	64,388
(Increase) decrease in inventories	-	(910)	-	(910)	5,604
(Increase) decrease in prepaid items	-	(55,032)	-	(55,032)	23,000
Increase in pension related deferred outflows	(924,887)	-	-	(924,887)	-
Increase (decrease) in accounts payable	(27,616)	154,692	589,614	716,690	17,448
Decrease in estimated health claims payable	-	-	-	-	(64,000)
Increase in deposits	15,184	-	-	15,184	-
Increase in net pension liability	1,053,126	-	-	1,053,126	-
Increase (decrease) in liability for compensated absences	(30,400)	-	-	(30,400)	5,681
Increase in long-term risk liability	-	-	-	-	343,014
Increase in other post employment benefits obligation	-	-	-	-	954,323
Increase in pension related deferred inflows	8,572	-	-	8,572	-
Net cash provided by operating activities	<u>\$ 8,176,753</u>	<u>\$ (737,204)</u>	<u>\$ 2,756,964</u>	<u>\$ 10,196,513</u>	<u>\$ 1,460,777</u>

Noncash investing, capital and financing activities:

During the past year, the Enterprise Funds received \$108,714 of noncash capital contributions from developers consisting of water and assets with a net value of \$6,660 from the Governmental Activities. Additionally, the Internal Service Funds received assets with net value of \$52,786 from the Governmental Activities.

Reconciliation of total cash and cash equivalents:

Current assets:					
Cash and cash equivalents	\$ 21,368,487	\$ 64,160	\$ 743,800	\$ 22,176,447	\$ 15,959,610
Restricted assets - cash and cash equivalents	3,428,471	-	-	3,428,471	-
Noncurrent assets:					
Restricted assets - cash and cash equivalents	1,426,329	-	-	1,426,329	-
Total cash and cash equivalents	<u>\$ 26,223,287</u>	<u>\$ 64,160</u>	<u>\$ 743,800</u>	<u>\$ 27,031,247</u>	<u>\$ 15,959,610</u>

See accompanying notes to basic financial statements.

(Concluded)

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General Statement

Incorporated on June 14, 1913, the City of Carrollton operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, development services, culture, recreation and waterworks.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate organizations as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards. Based on this criterion, the City has no component units.

C. Basis of Presentation

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges from the City's water, sewer and sanitation functions and various other functions. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund-

General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund-

Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

Streets and Drainage Fund-

Streets and Drainage Fund is used to account for funds received and expended for the construction and renovation of thoroughfares, arterial streets and drainage improvements in the City.

General and Public Facilities Fund-

General and Public Facilities Fund is used to account for funds received and expended for construction, renovation, expansion and major improvement of various City facilities, acquisition of land and other large nonrecurring projects.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Water and Sewer Fund-

Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Golf Course Fund-

Golf Course Fund is used to account for payments received from the contractor and improvements made to the City's golf course, including administration, operation and maintenance.

Sanitation Fund-

Sanitation Fund is used to account for billing, collection and payment for solid waste collection and disposal services. All costs are financed through charges to sanitation customers.

Additionally, the City reports the Internal Service Funds which are used to account for the fleet management services, self-funded property and casualty insurance provided to departments of the City and self funded health and disability insurance provided to employees of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) and all deferred inflows and outflows of resources are included on the Statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned,

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences are recorded only when payment has matured and will be payable shortly after year-end.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received, as they are deemed immaterial.

E. Budgetary Control

Annual budgets are adopted for all governmental funds except for the capital projects funds, which adopt project-length budgets.

The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year after which the City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council by August 1.

Upon receipt of the budget estimates, the Council holds a public hearing on the proposed budget. Information about the Budget Ordinance is then published in the official newspaper of the City.

At least ten days prior to October 1, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were adopted.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

F. Cash, Cash Equivalents and Investments

Cash of all funds, including restricted cash, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with maturity of ninety days or less are also considered to be "cash equivalents". Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

Investments in government pools are recorded at amortized cost. All other investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

H. Inventories

The inventories of the Golf Enterprise Fund consist of retail sales items and inventories in the Internal Service Funds consist of fuel supplies. Both are recorded at cost using the first-in/first-out method.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

I. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year.

J. Equity Interest in Joint Venture and Shared Radio System

During Fiscal Year 2014, the Town of Addison, City of Carrollton, City of Coppell and City of Farmers Branch (the “Cities”) formed a joint venture, the North Texas Emergency Communications Center, Inc. (NTECC), to establish and operate a joint public safety dispatch center. The Cities are responsible for funding capital and operating costs of NTECC. The City of Carrollton’s equity interest in NTECC of \$1,443,590 as of September 30, 2016 is recorded as Equity Interest in Joint Venture in the Governmental Activities on the Government-wide Statement of Net Position. Audited financial statements for NTECC can be obtained from the Finance Department at 1945 E. Jackson Rd, Carrollton, TX 75006, by calling 972-466-3110 or by email at controller@cityofcarrollton.com.

Additionally, the Cities have also entered into an interlocal agreement to jointly procure a public safety radio system. While this agreement did not include the formation of a separate legal joint venture entity, it is possible that this system may be consolidated into NTECC in the future. The Cities are each responsible for funding a portion of the radio system. The City of Carrollton’s portion of the system costs as of September 30, 2016 of \$4,407,969 is capitalized as equipment in the Governmental Activities on the Government-wide Statement of Net Position.

K. Land Held for Redevelopment

Land held for resale in the General and Public Facilities Capital Project Fund is held for redevelopment and is valued at the estimated realizable value or historical acquisition cost, whichever is less.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

L. Restricted Assets

Certain cash and investments balances are restricted by various legal and contractual obligations.

The following table summarizes the restricted cash and investments:

Governmental activities:

Debt Service Fund	\$ 4,704,456
Bond construction account	17,845,281
Other Capital Project Funds	1,117,661
Special Revenue Funds	2,059,216
	<u>25,726,614</u>

Business-type activities

Revenue bond accrued interest payable	218,491
Current maturities of revenue bonds	545,834
Reserve for revenue bond retirement	1,426,329
Customer deposits	2,664,146
	<u>4,854,800</u>

Total Restricted cash and investments	<u>\$ 30,581,414</u>
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M. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Outlays for capital assets are capitalized as projects are constructed. Infrastructure assets begin depreciating at the end of year in which costs are incurred. Other constructed capital assets begin depreciating when the asset is placed in service.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of \$250,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 – 50 Years
Equipment	3 – 10 Years
Intangibles	4 – 20 Years
Improvements	10 – 40 Years
Infrastructure	20 – 40 Years

N. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Codification Section P20 – Pension Activities.

O. Compensated Absences

The City's policy allows employees to accumulate unused sick leave on an unlimited basis and vacation leave up to 432 hours for Fire Shift Civil Service employees and up to 288 hours for all other employees. Upon termination employees are entitled to be paid for accumulated leave as follows:

Vacation Leave:

- Civil Service employees who have completed six full months of service and Non-Civil Service employees hired on or before January 1, 2011 will be paid any accumulated vacation leave.
- Non-Civil Service employees hired after January 1, 2011 who have completed six full months of service will be paid for accumulated vacation leave up to a maximum of 120 hours.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Sick Leave:

- Civil Service Fire Shift employees who have completed one full year of service will be paid for accumulated sick leave up to 1,440 hours.
- All other Civil Service employees who have completed one full year of service and Non-Civil Service employees hired on or before January 1, 2010 will be paid for accumulated sick leave up to 960 hours.
- Non-Civil Service employees hired after January 1, 2010 will not be paid for accumulated sick leave.

P. Nature and Purpose of Classifications of Fund Equity

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted or committed. Assignments are made by City management based on Council direction.

For the classification of Governmental Fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net position restricted for revenue bond retirement in the Water and Sewer Fund is a reserve required by revenue bond covenants.

Q. Minimum Fund Balance Policy

It is the desire of the City to maintain adequate General Fund fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 60 days of budgeted expenditures.

R. Net Position

Net position represents the difference between assets and liabilities in the proprietary funds and in the government-wide statements. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

S. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

The City allocates to the Proprietary funds an indirect cost percentage of administrative services for those funds but paid through the General Fund along with other indirect costs deemed necessary for their operations. During the year ended September 30, 2016, the City allocated \$2,651,488 as a transfer for such services.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Changes in actuarial assumptions used to determine pension liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item that qualifies for reporting in this category. The difference in expected and actual pension experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

(2) BUDGET BASIS OF ACCOUNTING:

The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund to provide a meaningful comparison of actual results with the budget. The differences between budget and GAAP basis in the General Fund are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to an assignment of fund balance (GAAP), unrealized investment gain (loss) is recognized for GAAP basis only and interfund loan transactions treated as transfers for budget basis.

Adjustments necessary to convert the General Fund's net change in fund balances on the budget basis to a GAAP basis are as follows:

Net change in fund balances - budget basis	\$ 2,598,086
Beginning of year adjustment for encumbrances recognized as expenditures	(331,730)
End of year adjustment for encumbrances not recognized as expenditures	213,086
Unrealized investment gain/(loss) recognized for GAAP basis only	(10,434)
Interfund loan transactions treated as transfers for budget basis	(407,630)
Extinguishment of interfund loan balance recognized for GAAP basis only	407,630
Net change in fund balances - GAAP basis	<u>\$ 2,469,008</u>

(3) DEPOSITS AND INVESTMENTS:

Deposits - State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. All deposits of the City that exceeded the federal depository insurance coverage level of \$250,000 per account were covered by collateral held by the Federal Reserve Bank in the City's name under a joint safekeeping agreement with Frost Bank. The market value of the collateral held at the Federal Reserve Bank in the City's name at fiscal year-end was \$13,340,174.

At September 30, 2016, the carrying amount of the City's deposits was \$2,594,619, and the respective bank balances totaled \$5,735,427. The City's cash on hand totaled \$36,825.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Investments - State statutes, City investment policy, City bond ordinances and City resolutions authorize the City's investments. The City is authorized to invest in the following: U.S. Government obligations and its agencies or instrumentalities; direct obligations of this state or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States with ten years or less stated final maturity (cannot be an inverse floater, a principal only or interest only); obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent rating, no-load; SEC registered mutual funds with a weighted average stated maturity of less than two years that are invested in allowable securities; obligations of Texas and its agencies; fully collateralized repurchase agreements and reverse repurchase agreements; prime domestic commercial paper; prime domestic bankers' acceptances; guaranteed investment contracts; securities lending program consisting of authorized investments by the City's investment policy; insured or collateralized certificates of deposit; government pools; and no-load SEC registered money market funds consisting of any of these securities listed. For additional information see the City of Carrollton Investment Policy at www.cityofcarrollton.com.

The City's investments carried at fair value as of September 30, 2016, were:

Investments:	Fair Value	Weighted Average Maturity (Years)	Credit Risk
Coupon Agencies	154,553,954	1.43	AAA
Discount Agencies	3,966,172	0.02	AAA
Total Fair Value	<u>\$ 158,520,126</u>		
Portfolio Weighted Average Maturity		1.45	

Additionally, the City has investments in government pools at September 30, 2016 totaling \$25,658,364, which are recorded at amortized cost.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2016, the City has the recurring fair value measurements for coupon and discount agencies of \$158,520,126 valued using quoted prices for similar assets in active markets. (Level 2 inputs).

Interest Rate Risk – In compliance with the City’s Investment Policy, as of September 30, 2016, the City minimized the interest rate risk in the portfolio, related to current market events, by: limiting the weighted average maturity to a maximum of four years; structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing operating funds primarily in short-term securities, money market mutual funds, or similar government investment pools.

Concentration of Credit Risk – In compliance with the City’s Investment Policy, as of September 30, 2016, the City minimized concentration of credit risk, by: limiting investments in a specific local governmental pools to no more than 40 percent of the investment portfolio; staggering maturities and potential call dates; and limiting investments in commercial paper and bankers’ acceptances to no more than 5% of the investment portfolio. As of September 30, 2016, 5% or more of the City’s total investment are in: Federal Home Loan Bank securities (37%), Federal Farm Credit Bank securities (32.8%), Local Government Investment Cooperative (8.5%), Federal Home Loan Mortgage Corporation securities (7.6%), Federal National Mortgage Association securities (7.5%), and Texas Local Government Investment Pool (5.4%).

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

(4) CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2016, was as follows:

	Balance October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 102,447,729	\$ 41,109	\$ -	\$ 102,488,838
Construction in progress	7,742,097	8,711,586	(7,068,243)	9,385,440
Total capital assets not being depreciated	<u>110,189,826</u>	<u>8,752,695</u>	<u>(7,068,243)</u>	<u>111,874,278</u>
Capital assets being depreciated:				
Buildings	65,906,163	4,400,963	-	70,307,126
Equipment	32,217,787	10,724,975	(1,199,531)	41,743,231
Intangibles	6,156,150	160,025	-	6,316,175
Improvements	45,487,808	1,565,255	-	47,053,063
Infrastructure	275,137,823	18,676,114	(1,925,749)	291,888,188
Total capital assets being depreciated	<u>424,905,731</u>	<u>35,527,332</u>	<u>(3,125,280)</u>	<u>457,307,783</u>
Less accumulated depreciation for:				
Buildings	(39,413,724)	(2,558,077)		(41,971,801)
Equipment	(19,063,295)	(3,191,469)	1,148,157	(21,106,607)
Intangibles	(5,871,521)	(113,828)		(5,985,349)
Improvements	(17,145,341)	(1,639,220)	-	(18,784,561)
Infrastructure	(73,940,290)	(8,500,907)	1,925,749	(80,515,448)
Total accumulated depreciation	<u>(155,434,171)</u>	<u>(16,003,501)</u>	<u>3,073,906</u>	<u>(168,363,766)</u>
Total capital assets being depreciated, net	<u>269,471,560</u>	<u>19,523,831</u>	<u>(51,374)</u>	<u>288,944,017</u>
Governmental activities capital assets, net	<u>\$ 379,661,386</u>	<u>\$ 28,276,526</u>	<u>\$ (7,119,617)</u>	<u>\$ 400,818,295</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

	Balance October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,367,868	\$ 10,050	\$ -	\$ 2,377,918
Construction in progress	332,146	-	(332,146)	-
Total capital assets not being depreciated	<u>2,700,014</u>	<u>10,050</u>	<u>(332,146)</u>	<u>2,377,918</u>
Capital assets being depreciated:				
Buildings	19,575,656	72,671	-	19,648,327
Equipment	6,227,632	1,320,023	(137,565)	7,410,090
Intangibles	770,112	98,500	-	868,612
Improvements	11,198,776	701,992	-	11,900,768
Infrastructure	237,949,632	1,639,626	-	239,589,258
Total capital assets being depreciated	<u>275,721,808</u>	<u>3,832,812</u>	<u>(137,565)</u>	<u>279,417,055</u>
Less accumulated depreciation for:				
Buildings	(16,107,361)	(278,106)		(16,385,467)
Equipment	(3,843,483)	(588,732)	130,844	(4,301,371)
Intangibles	(751,004)	(8,071)		(759,075)
Improvements	(11,064,034)	(13,672)	-	(11,077,706)
Infrastructure	(114,685,645)	(6,816,166)	-	(121,501,811)
Total accumulated depreciation	<u>(146,451,527)</u>	<u>(7,704,747)</u>	<u>130,844</u>	<u>(154,025,430)</u>
Total capital assets being depreciated, net	<u>129,270,281</u>	<u>(3,871,935)</u>	<u>(6,721)</u>	<u>125,391,625</u>
Business-type activities capital assets, net	<u>\$ 131,970,295</u>	<u>\$ (3,861,885)</u>	<u>\$ (338,867)</u>	<u>\$ 127,769,543</u>

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental activities:	
General government and administration	734,022
Public safety	3,023,628
Development services	9,258,493
Cultural and recreational	2,987,358
Total depreciation expense - Governmental activities	<u>\$ 16,003,501</u>
Business-type activities:	
Water and sewer	7,443,949
Golf course	114,768
Sanitation	146,030
Total depreciation expense - Business-type activities	<u>\$ 7,704,747</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

(5) LONG-TERM DEBT AND LIABILITIES:

General Obligation Bonds –

General obligation bonds provide funds for the acquisition and construction of major capital equipment and facilities. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General obligation bonds require the City to compute, at the time property taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

General Obligation Bonds Refunding -

Due to favorable interest rates, during fiscal year 2016, \$13,647,386, including premium, of Series 2016 General Obligation (GO) Improvement and Refunding Bonds were issued to refund \$12,720,000 of the City's previously issued and outstanding GO Bonds, Series 2007, plus accrued interest and issuance costs.

The proceeds were deposited with an escrow agent to purchase direct obligations of the United States of America. The reacquisition price exceeded the net carrying amount of the old debt by \$787,956. This amount is being amortized over the remaining life of the refunded debt. Under the escrow reserve agreement, the escrow fund is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the City's financial statements.

As a result of the refunding, the City reduced its aggregate debt service payments to maturity by \$2,325,121, and obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$2,081,604.

No other refunded bonds were outstanding on September 30, 2016.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

At September 30, 2016, general obligation bonds currently outstanding are as follows:

	Interest Rate %	Issue Date	Maturity Date	Outstanding
Improvement, Series 2007	4 - 5.25	08/01/2007	08/15/2027	\$ 980,000
Improvement and Refunding, Series 2009	2 - 5	04/15/2009	08/15/2029	20,155,000
Improvement and Refunding, Series 2010	2.25 - 4.125	04/15/2010	08/15/2030	20,960,000
Improvement, Series 2011	3 - 4.25	04/15/2011	08/15/2030	11,665,000
Refunding, Series 2012	2 - 4	05/01/2012	08/15/2025	15,035,000
Improvement, Series 2013	2 - 4.5	07/15/2013	08/15/2033	8,410,000
Improvement, Series 2014	3 - 4	04/15/2014	08/15/2034	19,045,000
Improvement and Refunding, Series 2015	2 - 5	05/01/2015	08/15/2035	39,840,000
Improvement and Refunding, Series 2016	3 - 5	05/15/2016	08/15/2031	28,925,000
				<u>\$ 165,015,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending September 30	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 14,200,000	\$ 6,684,992	\$ 20,884,992
2018	14,035,000	6,158,168	20,193,168
2019	13,750,000	5,602,368	19,352,368
2020	12,810,000	5,013,418	17,823,418
2021	11,935,000	4,506,017	16,441,017
2022-2026	52,785,000	15,277,083	68,062,083
2027-2031	35,610,000	5,507,650	41,117,650
2032-2035	9,890,000	869,637	10,759,637
Total	<u>\$ 165,015,000</u>	<u>\$ 49,619,333</u>	<u>\$ 214,634,333</u>

Revenue Bonds –

Revenue bonds are used to finance the acquisition and construction of major capital improvements for the water and sewer system and related facilities. These revenue bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the water and sewer system.

The revenue bonds are collateralized by the revenue of the water and sewer system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

establish and maintain the revenue bond funds. Remaining revenues may then be used for any lawful purpose. For fiscal year 2016, net revenue available for debt service was 2.8 times the average annual debt service requirement. The ordinances also contain provisions which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and certain financial ratios are met. Management of the City believes that it is in compliance with all significant financial requirements as of September 30, 2016.

At September 30, 2016, revenue bonds currently outstanding are as follows:

	<u>Interest Rate %</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding</u>
Waterworks and Sewer System Revenue Improvement, Series 2005	2.5 - 4.2	02/15/2005	05/01/2025	\$ 1,385,000
Waterworks and Sewer System Revenue Improvement, Series 2007	4.375 - 5	08/01/2007	05/01/2027	3,805,000
Waterworks and Sewer System Revenue Refunding, Series 2012	2 - 4	05/01/2012	05/01/2023	7,735,000
				<u>\$ 12,925,000</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending September 30</u>	<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	1,310,000	524,379	\$ 1,834,379
2018	1,360,000	470,604	1,830,604
2019	1,425,000	414,778	1,839,778
2020	1,485,000	356,654	1,841,654
2021	1,545,000	295,704	1,840,704
2022-2026	5,370,000	680,996	6,050,996
2027	430,000	21,500	451,500
Total	<u>\$ 12,925,000</u>	<u>\$ 2,764,615</u>	<u>\$ 15,689,615</u>

Bonds Authorized and Unissued –

At September 30, 2016, the City had \$42,405,211 in general obligation bonds which were authorized and unissued.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Net Pension Liability –

The net pension liability represents the actuarially-determined liability for employees' for projected pension benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service less the pension plan's fiduciary net position.

Compensated Absences –

Compensated absences represent the estimated liability for employees' accrued vacation and sick leave for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund, Enterprise Funds and Internal Service Funds based on the assignment of an employee at termination.

Health Claims Liability –

Health claims liability represents an estimate of self-insured claims liability outstanding of the Employee Health and Disability Internal Service Fund. All health claims are expected to be paid within one year.

Long-term Risk Liability –

The long-term risk liability is the actuarially determined liability related to the City's self-insured retention program accounted for in the Risk Management Internal Service Fund.

Other Post Employment Benefits Obligation –

The other post employment benefits obligation represents a liability for the amount of actuarially required contribution for retiree health care benefits in excess of the actual contributions made.

Changes in long-term liabilities –

On the next schedule, the additions to the General Obligation Bonds in the Governmental Type Activities represent the issuance of \$29,115,000 of General Obligation Improvement and Refunding Bonds, Series 2016.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

Transactions for the year ended September 30, 2016 are summarized as follows:

	Balance October 1	Additions	Reductions	Balance September 30	Due within one year
<u>Governmental type activities</u>					
Bonds payable:					
General obligation bonds	\$ 162,600,000	\$ 29,115,000	\$ (26,700,000)	\$ 165,015,000	\$ 14,200,000
Premiums	10,058,724	4,702,702	(822,008)	13,939,418	990,615
Total bonds payable	172,658,724	33,817,702	(27,522,008)	178,954,418	15,190,615
Net pension liability	7,055,909	23,843,460	-	30,899,369	-
Compensated absences	14,373,973	1,451,940	(1,114,140)	14,711,773	980,284
Health claims liability	1,102,000	9,129,097	(9,193,097)	1,038,000	1,038,000
Other post employment benefits obligation	881,581	954,323	-	1,835,904	-
Long-term risk liability	1,242,630	1,433,536	(1,090,522)	1,585,644	-
Total governmental activities	\$ 197,314,817	\$ 70,630,058	\$ (38,919,767)	\$ 229,025,108	\$ 17,208,899
<u>Business type activities</u>					
Bonds payable:					
Revenue bonds	\$ 14,185,000	\$ -	\$ (1,260,000)	\$ 12,925,000	\$ 1,310,000
Premiums	752,477	-	(99,120)	653,357	99,120
Total bonds payable	14,937,477	-	(1,359,120)	13,578,357	1,409,120
Net pension liability	293,046	1,053,126	-	1,346,172	-
Compensated absences	696,025	60,936	(91,336)	665,625	57,273
Total business-type activities	15,926,548	1,114,062	(1,450,456)	15,590,154	1,466,393
Total government	\$ 213,241,365	\$ 71,744,120	\$ (40,370,223)	\$ 244,615,262	\$ 18,675,292

(6) PROPERTY AND SALES TAXES:

Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council. Appraised values are established by the Appraisal Board of Review at 100% for estimated fair market value.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. The tax lien is part of a lawsuit for property that can be filed any time after taxes become delinquent (February 1). The City usually waits until after May 1 and July 1 to file suits on business personal property and real property, respectively. As of July 1, 20% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2016, were 99.5% of the tax levy.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

Property taxes at the fund level are recorded as receivables at the time the taxes are levied. Revenues are recognized as the related ad valorem taxes are collected including those collected 60 days after year-end. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with GAAP have been recognized as revenue.

The City Charter does not provide for a debt limit; therefore, no computation can be made. However, at September 30, 2016, the City had a tax margin of \$1.89 for every \$100 valuation based upon a maximum ad valorem tax of \$2.50 for every \$100 valuation imposed by Texas Constitutional law.

In Texas, central appraisal districts are required under the Property Tax Code to assess all property within its respective county on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this legislation the City continues to set tax rates on City property. However, if the effective tax rate, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the maintenance and operating tax rate to no more than 8% above the effective tax rate of the previous year.

Sales and use tax is authorized under state law with the City's levy equal to one percent of taxable sales and uses. The Texas Comptroller of Public Accounts collects all sales and use taxes on behalf of the City, remitting to the City on a monthly basis all taxes collected less a 2% service fee.

The State of Texas utilizes origin based sourcing for municipal sales and use tax. Under this approach, sales and use tax is sourced to the taxing jurisdiction in which the selling business is located regardless of where in the state the purchaser resides or the product is shipped. Origin sourcing can produce large individual sales and use taxpayers to specific jurisdictions. As a result, sales and use tax can fluctuate not only due to general economic factors but also due to relocations of businesses between taxing jurisdictions. The identity of and the amount paid by individual sales and use tax payers is strictly confidential under state law.

(7) DEFINED BENEFIT PENSION PLAN:

Plan Description:

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G,

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided:

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 1993, the City granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1993, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	50% of CPI Repeating

The City does not participate in Social Security.

Employees covered by benefit terms –

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	545
Inactive employees entitled to but not yet receiving benefits	558
Active employees	<u>803</u>
	<u>1,906</u>

Contributions:

Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Carrollton were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2016, the City made contributions of 13.95%, which provided for an additional voluntary contribution of 1.50 percentage points over the required contribution of 12.45% for the months in 2015 and 2.47 percentage points over the actuarially required contribution of 11.48% for the months in 2016.

Net Pension Liability:

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

Actuarial assumptions –

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.9% per year
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation through December 31, 2015, 6.75% thereafter

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2015 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75% effective January 1, 2016. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	<u>100.0%</u>	

Discount Rate –

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Changes in the Net Pension Liability –

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
	(a)	(b)	(a) – (b)
Balance at 12/31/2014	\$356,702,669	\$349,353,714	\$7,348,955
Changes for the year:			
Service cost	7,652,932	-	7,652,932
Interest	24,739,518	-	24,739,518
Change in benefit terms	-	-	-
Difference between expected and actual experience	(964,785)	-	(964,785)
Changes in assumptions	-	-	-
Contributions – employer	-	7,332,309	(7,332,309)
Contributions – employee	-	3,679,294	(3,679,294)
Net investment income	-	515,477	(515,477)
Changes in assumptions	4,666,507	-	4,666,507
Benefit payments, including refunds of employee contributions	(14,214,900)	(14,214,900)	-
Administrative expense	-	(313,987)	313,987
Other Changes	-	(15,507)	15,507
Net changes	<u>21,879,272</u>	<u>(3,017,314)</u>	<u>24,896,586</u>
Balance at 12/31/2015	<u>\$378,581,941</u>	<u>\$346,336,400</u>	<u>\$32,245,541</u>

Sensitivity of the net pension liability to changes in the discount rate –

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
City’s net pension liability	\$85,852,022	\$32,245,541	(\$11,774,560)

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Pension Plan Fiduciary Net Position –

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2016, the City recognized pension expense of \$10,666,190. This amount is included as part of Personal Services expenses within the functional program activities.

At September 30, 2016, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions		
after measurement date	\$ 5,294,022	\$ -
Difference in projected and actual earnings on pension assets	21,712,122	-
Differences in expected and actual pension experience	-	1,746,883
Changes in actuarial assumptions used to determine pension liability	3,451,271	-
Total	<u>\$ 30,457,415</u>	<u>\$ 1,746,883</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$5,294,022 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2016 (i.e. recognized in the city’s financial statements September 30, 2017). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended	
<u>Dec 31</u>	
2016	\$ 6,078,304
2017	6,099,177
2018	6,451,174
2019	<u>4,787,855</u>
Total	<u>\$ 23,416,510</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

(8) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2016, were as follows:

	<u>Transfers In</u>							<u>Total</u>
	<u>General Fund</u>	<u>Streets and Drainage</u>	<u>General and Public Facilities</u>	<u>Internal Service</u>	<u>Water and Sewer</u>	<u>Golf Course</u>	<u>Non-Major Govern-mental</u>	
<u>Transfers Out</u>								
General Fund	\$ -	\$ 1,137,000	\$ 10,311,789	\$ -	\$ -	\$ 991,449	\$ 1,338,778	\$ 13,779,016
Streets and Drainage	-	-	747,361	-	-	-	270,000	1,017,361
General and Public Facilities	-	-	-	-	-	911,309	1,377	912,686
Governmental Activities								
Entity-wide	-	-	-	52,786	6,660	-	-	59,446
Internal Service	333,152	-	-	-	-	-	-	333,152
Water and Sewer	3,663,133	-	-	-	-	-	-	3,663,133
Golf Course	334,159	-	-	-	-	-	-	334,159
Sanitation	835,397	1,484,311	-	-	-	-	-	2,319,708
Total	<u>\$ 5,165,841</u>	<u>\$ 2,621,311</u>	<u>\$ 11,059,150</u>	<u>\$ 52,786</u>	<u>\$ 6,660</u>	<u>\$ 1,902,758</u>	<u>\$ 1,610,155</u>	<u>\$ 22,418,661</u>

Transfers are primarily used to move funds from:

- The Proprietary Funds to the General Fund for an allocated amount of administrative services.
- The Water and Sewer Fund to the General Fund for a payment in lieu of taxes.
- Sanitation Fund to the Streets and Drainage capital project fund for alley improvements.
- The General Fund to finance various programs and between capital projects funds accounted for in other funds in accordance with budgetary authorizations.
- One capital projects fund to another for projects accounted for in the other fund.

(9) WATER PURCHASE AND WASTEWATER TREATMENT CONTRACTS:

The City has a contract with Dallas Water Utilities to purchase substantially all of the City's potable water. Under the contract, the City pays Dallas Water Utilities a rate based on a fixed demand charge plus water usage. The rates charged are subject to minimum annual contract payments. Water expense for the years ended September 30, 2015 and 2016 were \$11,527,775 and \$13,080,581, respectively.

The City has a contract with Trinity River Authority whereby the Trinity River Authority has agreed to provide a wastewater treatment and disposal system for the benefit of the City and any "additional member City" as defined. Each member city pays an "annual payment", as defined, as its pro rata share of operating expenses and debt service of Trinity River Authority. The City's annual expense for the years ended September 30, 2015 and 2016 were \$7,530,640 and \$7,997,186, respectively.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

(10) SELF-INSURANCE:

The City administers a self-insured retention program (SIR) within the Risk Management Internal Service Fund in order to deal with potential liabilities. Claims in excess of the self-insured retention amounts are covered through third-party limited-coverage insurance policies. The City is self-insured with excess coverage in these areas:

<u>Policy</u>	<u>Retention</u>	<u>Limits on Liability</u>
General Liability, Law Enforcement Liability, Errors and Omissions	\$50,000 per occurrence	\$2,000,000 per occurrence and \$4,000,000 policy aggregate
Workers' Compensation	\$100,000 per occurrence	Statutory
Property Loss	\$25,000 per occurrence	\$181,212,315
Automobile Liability	\$50,000 per occurrence	\$1,000,000 per occurrence
Automobile Physical Damage	\$10,000	Actual cash value or agreed value as scheduled

All funds of the City participate in the program and make payments to the Risk Management Fund. As of the end of fiscal year 2016, the loss reserve was estimated at \$1,585,644.

Changes in this reserve amount in fiscal years 2015 and 2016 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current-year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2014-2015	\$2,028,558	\$ 44,660	\$ 830,588	\$1,242,630
2015-2016	\$1,242,630	\$1,433,536	\$ 1,090,522	\$1,585,644

The City maintains the Employee Health and Disability Fund to account for the City's employee health care coverage and long-term disability programs which are self-insured by the City with long-term disability claims in excess of one year covered through third-party insurance policies. In addition, excess insurance of up to \$1,000,000 has been obtained for an individual employee's health care claims exceeding \$225,000 and for health claims in the aggregate exceeding \$10,417,291.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Revenues are recognized from payroll deductions and City contributions. At September 30, 2016, a liability of \$1,038,000 has been recorded, which represents estimated claims incurred but not yet reported. Changes in this claims liability during fiscal years 2015 and 2016 were as follows:

	Balance at Beginning of <u>Fiscal Year</u>	Current-year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at End of <u>Fiscal Year</u>
2014-2015	\$ 1,105,000	\$8,380,403	\$8,383,403	\$1,102,000
2015-2016	\$ 1,102,000	\$9,129,097	\$9,193,097	\$1,038,000

There have been no significant reductions in insurance coverage during the fiscal year 2016.

(11) POLLUTION REMEDIATION OBLIGATION:

During fiscal year 2015, the City acquired property for redevelopment. An environmental site assessment confirmed pollution in the groundwater above the protective concentration level under the Texas Risk Reduction Program. Under the Texas Commission on Environmental Quality (TCEQ) rules, several options exist to address this pollution. The City plans to request a Municipal Setting Designation (MSD) for the property. An MSD is an official designation given by TCEQ certifying that the groundwater underneath a property is not used as potable water and is prohibited from future use as potable water because of contamination above potable-water protective concentration levels. The purpose of the MSD is to limit or eliminate the need for investigation or remediation of groundwater contamination in cases where the groundwater is not being used as a drinking water supply and where there is no exposure pathway.

The City measured the liability by estimating a reasonable remaining cost to obtain the MSD. As of September 30, 2016, \$58,590 has been accrued in the Governmental Activities Government-wide financial statements for this pollution remediation obligation.

(12) COMMITMENTS AND CONTINGENT LIABILITIES:

Encumbrances – As discussed in note 1 E, Budgetary Control, for budgetary purposes includes the impact of encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year in the General Fund were \$213,086.

Grants – The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

Litigation – Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City's financial position, results of operations, or cash flows.

Construction Commitments – The City has active construction projects as of September 30, 2016. Total accumulated commitments for ongoing capital projects are composed of the following:

Streets and Drainage	\$ 63,163,328
Traffic	3,260,515
Parks and Recreation	14,548,290
General Facilities	38,887,968
Community Development	15,197,900
Tax Increment Reinvestment Zone	937,888
Water and Sewer	11,812,439
Golf Course	911,720
Total	<u><u>\$ 148,720,048</u></u>

These commitments will be funded through unspent bond proceeds, unrestricted cash and intergovernmental participations.

Leases – The City is committed under a lease agreement for golf carts. This lease is considered for accounting purposes to be an operating lease in the Golf Course Fund. Lease expenses for the fiscal year ended September 30, 2016 amounted to \$47,821. Future minimum lease payments are as follows:

<u>Year ending</u> <u>September 30</u>	
2017	\$ 114,771
2018	114,772
2019	114,771
2020	66,951
	<u><u>\$ 411,265</u></u>

Development –

Union at Carrollton – In 2009 and amended in 2011, the City entered into a disposition and development agreement with TCC High Street Development, LLC (TCC). This agreement included a public construction incentive agreement for a mixed use catalyst development in Downtown Carrollton known as the Union at Carrollton Square. The incentives included a commitment to fund the construction of a public infrastructure (parking garage, streets, sidewalks, etc.) in conjunction

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

with the private development. Additionally, related ground and parking garage lease agreements provide for TCC's, and its future assignees, use of land underlying the development and a portion of the parking garage for up to 100 years. Each lease agreement provides for a nominal upfront payment per 24 year lease term. The tenant is responsible for maintenance of the parking garage. All commitments related to this agreement were completed in fiscal year 2014.

In 2014, the City and TCC entered into a new agreement related to Phase III of the Union at Carrollton Square. This agreement provided for a \$3,000,000 termination fee payment from TCC to the City for the termination of the City's right under the 2011 agreement to 50% of the profit when the original property is sold. Additionally, this agreement required the City to acquire real property for Phase III and pay TCC a fee of \$500,000 for their efforts in assembling the real property. The agreement also called for the future negotiation of a Phase III development agreement. In 2016, the City and TCC entered into a disposition and development agreement related to Phase III. Under this agreement, the City agreed to deliver a development-ready pad site to TCC and provide a \$1,500,000 reimbursement for infrastructure improvements. In return, TCC will purchase the property from the City for \$1,000,000. As of September 30, 2016, \$3,588,569 has been expended for property purchases and related demolition of structures. Land held of resale has been capitalized at \$604,940 based on the estimated value of the raw land.

Arcadia Development – In 2014, the City completed the sale of real property to Arcadia Realty Corporation (Arcadia). The purchase and sale agreement required a Development Agreement for the Cemetery Hill Road Extension and the Furneaux Creek North-South Tributary Rehabilitation project. This agreement required the City to provide \$1,000,000 in escrow for Arcadia to pay for the costs for certain drainage improvements, parkway improvements, hike and bike trail improvements and road extensions. As of September 30, 2016, \$315,742 of these funds has been expended and the remaining \$684,258 held in escrow is recorded as a receivable.

Meadows Apartments – In November 2016, the City entered into an agreement to purchase a portion of the Meadows Apartments for \$2,500,000. The purchase of this property is expected to be completed during fiscal year 2017.

(13) OTHER POSTEMPLOYMENT BENEFITS:

Program Description:

In addition to the pension benefits described in Note 7, as required by state law and defined by City Policy, the City makes available health care benefits to all employees who retire from the City and who are receiving benefits from a City sponsored retirement program (Texas Municipal Retirement System, and/or a Section 457 Deferred Compensation Plan) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance or until age 65 if eligible for Medicare to eligible retirees, their spouses and dependents through the City's group health insurance

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2016

plan, which covers both active and retired members. Benefit provisions are established by management.

Current retirees in the health plan and at retirement, active employees with 20 years or more of service or less than 60 years or more of age with five years or more of service on January 1, 2009 are eligible to remain in the health plan at the total blended contribution rate for active and retiree participants (Retiree Health Existing (Closed) Program). For financial reporting purposes, the Retiree Health Existing (Closed) Program is accounted for in the Employee Health and Disability Fund. No other financial statements are issued related to the Retiree Health Existing (Closed) Program.

A new Retiree Defined Contribution Program effective January 1, 2009 for active employees with less than 20 years of service or at 60 years or more of age with less than five years of service will require participants to contribute an aged-based full-cost premium if they choose to remain on the City's healthcare plan upon retirement. In return, the City has begun making scheduled contributions into a Retiree Health Savings plan in the name of each employee who has ten years of service or more. Employees are 50% vested at 15 years of service with the City and 100% vested at 20 years of service.

Under the provisions of GASB Codification Section Po 50, employees who will be required to contribute the full aged based cost for coverage for the City's Health Plan do not receive an Other Post Employment Benefit. Accordingly, only those employees who are eligible to participate in the Retiree Health Existing (Closed) Program are included in the valuation results described below.

Funding Policy:

Current retirees contribute to the Retiree Health Existing (Closed) Program the total blended premium for active and retired participants. The City contribution to the Retiree Health Existing (Closed) Program consists of pay-as-you-go claims in excess of the retiree contributions. Retiree contribution rates for fiscal year 2016 were \$6,253 to \$19,385 per year depending on coverage levels selected. In fiscal year 2016, total member contributions were \$565,829. The City contributions to the plan for fiscal year 2016, which are also equal to claims paid in excess of premiums collected, were \$248,666.

Annual OPEB Cost and Net OPEB Obligation:

The City's annual other postemployment benefit (OPEB) cost (expense) for the Retiree Health Existing (Closed) Program is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation.

Annual required contribution	\$1,202,989
Contributions made	<u>248,666</u>
Change in OPEB obligation	954,323
Net OPEB obligation – beginning of year	<u>881,581</u>
Net OPEB obligation– end of year	<u><u>\$1,835,904</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and 2016 were as follows:

<u>Fiscal</u> <u>Year</u>	<u>Annual</u> <u>OPEB Costs</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2015	\$548,636	20%	\$881,581
2016	\$1,202,989	21%	\$1,835,904

Funded Status and Funding Progress:

As of December 31, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$10,924,699, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for fiscal year 2016 was \$4,305,052, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 253.8%.

Actuarial values of the program involve estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets held in an irrevocable trust is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As the City chose to close its program as of January 1, 2009 and to not establish an irrevocable trust, plan assets will always be reported under GASB Statement No. 45 as zero.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2016

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the December 31, 2015 actuarial valuation, the Entry Age cost method was used. The actuarial assumptions include a 3.25% investment rate of return (compounded annually net after investment expenses) and an annual healthcare cost trend rate of 7.5% initially, reduced by decrements to an ultimate rate of 4.25% after 15 years. Both rates include a 2.5% inflation assumption. The City's unfunded actuarial accrued liability is being amortized as a level percent of active member payroll over a closed period. The remaining amortization period at December 31, 2015 was 11 years.

(14) FUTURE FINANCIAL REPORTING REQUIREMENTS:

The City has reviewed GASB pronouncements which become effective in future years and notes the following statements are applicable to the City.

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" – This statement changes the focus of accounting of postemployment benefits other than pensions from how much it costs to adequately fund the benefits over time to a point-in-time liability that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

Statement No. 77, "Tax Abatement Disclosures" – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the City in fiscal year 2017.

CITY OF CARROLLTON, TEXAS

Required Supplementary Information

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios

Last Two Fiscal Years (Previous years are not available)

(Unaudited)

	Measurement Year 2014	Measurement Year 2015
	<u>2014</u>	<u>2015</u>
Total pension liability:		
Service cost	\$ 6,592,786	\$ 7,652,932
Interest	23,690,265	24,739,518
Changes of benefit terms	-	-
Difference between expected and actual experience	(2,087,560)	(964,785)
Change in assumptions	-	4,666,507
Benefit payments, including refunds of employee contributions	<u>(13,257,578)</u>	<u>(14,214,900)</u>
Net change in total pension liability	14,937,913	21,879,272
Total pension liability - beginning	<u>341,764,756</u>	<u>356,702,669</u>
Total pension liability - ending (a)	<u>356,702,669</u>	<u>378,581,941</u>
Plan fiduciary net position:		
Contributions - employer	6,822,121	7,332,309
Contributions - employee	3,423,287	3,679,294
Net investment income	19,077,452	515,477
Benefit payments, including refunds of employee contributions	(13,257,578)	(14,214,900)
Administrative expense	(199,188)	(313,987)
Other	<u>(16,377)</u>	<u>(15,507)</u>
Net change in plan fiduciary net position	15,849,717	(3,017,314)
Plan fiduciary net position - beginning	<u>333,503,997</u>	<u>349,353,714</u>
Plan fiduciary net position - ending (b)	<u>349,353,714</u>	<u>346,336,400</u>
Net pension liability - ending (a) - (b)	<u>\$ 7,348,955</u>	<u>\$ 32,245,541</u>
Plan fiduciary net position as a percentage of total pension liability	97.94%	91.48%
Covered employee payroll	\$ 48,904,096	\$ 52,561,347
Net pension liability as a percentage of covered employee payroll	15.03%	61.35%

As of December 31

CITY OF CARROLLTON, TEXAS

Required Supplementary Information

Texas Municipal Retirement System

Schedule of Contributions

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	(1)	(2)	(3)	(4)	(5)	(6)
	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency) (2) - (1)	Covered employee payroll	Actuarially determined contributions as a percentage of covered employee payroll (1)/(4)	Contributions as a percentage of covered employee payroll (2)/(4)
2007	\$ 5,478,548	\$ 5,478,548	\$ -	\$ 44,100,793	12.42%	12.42%
2008	5,763,976	6,443,981	680,005	45,210,520	12.75%	14.25%
2009	7,555,564	7,510,874	(44,690)	46,118,071	16.38%	16.29%
2010	7,797,214	8,055,207	257,993	45,868,006	17.00%	17.56%
2011	7,807,248	7,960,494	153,246	46,358,980	16.84%	17.17%
2012	6,544,714	6,530,161	(14,553)	44,732,281	14.63%	14.60%
2013	6,444,731	6,547,839	103,108	46,392,021	13.89%	14.11%
2014	6,480,879	6,755,754	274,875	48,428,341	13.38%	13.95%
2015	6,329,810	6,982,334	652,524	50,052,500	12.65%	13.95%
2016	6,108,431	7,256,852	1,148,421	52,020,446	11.74%	13.95%

Notes to Schedule:

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 12 months and a day later.

Methods and Assumptions Used to Determine Contribution Rate for 2016:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

CITY OF CARROLLTON, TEXAS

Required Supplementary Information

Texas Municipal Retirement System

Schedule of Contributions

Last Ten Fiscal Years

(Unaudited)

Significant assumption differences for fiscal years prior to 2016:

Actuarial Cost Method Unit Credit for fiscal year and 2007, Projected Unit Credit for fiscal years 2008 to 2013.

Inflation 3% for fiscal years prior to 2016.

Investment Rate of Return 7% for fiscal years prior to 2016.

Mortality Prior to fiscal year 2014, Gender Distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by scale AA

CITY OF CARROLLTON, TEXAS
 Required Supplementary Information
 Retiree Health Plan
 Schedule of Funding Progress
 Last Three Fiscal Years
 (Unaudited)

<u>Fiscal Year*</u>	(1) <u>Actuarial Value of Assets</u>	(2) <u>Actuarial Accrued Liability</u>	<u>Funded Ratio (1)/(2)</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Annual Covered Payroll**</u>	<u>Unfunded Actuarial Accrued Liability As a Percentage of Covered Payroll</u>
2014	\$ -	\$ 4,799,949	0.0%	\$ 4,799,949	\$5,738,397	83.6%
2015	-	4,799,949	0.0%	4,799,949	4,471,228	107.4%
2016	-	10,924,699	0.0%	10,924,699	4,305,052	253.8%

* Fiscal Year 2014 and 2015 as of December 31, 2013 actuarial valuation. Fiscal Year 2016 as of December 31, 2015 actuarial valuation.

** Annual covered payroll is the payroll related to those grandfathered employees who will be able to retire and continue health coverage at a subsidized premium.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Hotel/Motel Tax Fund - to account for the accumulation of resources from the Hotel/Motel Tax assessment levied by the City. These monies are to be spent to promote the progress, development or growth of the City within the guidelines set forth on disposition of revenues collected under the authority of the Texas Hotel Occupancy Tax Act (Article 1269; Vernon's Texas Civil Statutes).

Public Safety Fund - to account for special fines and forfeitures and grant funds for Public Safety programs.

Cultural and Recreational Fund – to account for miscellaneous funds designated for special cultural and recreational programs of the City.

Capital Project Funds

Parks and Recreation Fund - to account for funds received and expended for purchase of land, improvements and construction of parks and recreational facilities.

Traffic Fund - to account for funds received and expended for new installations and replacement of traffic signalization equipment, and installation of underground conduit and wiring for street lights.

Tax Increment Reinvestment Zone – to account for funds received and expended within the City's Tax Increment Reinvestment Zone located adjacent to the light rail stations.

Community Development Fund – to account for funds received and expended on community beautification and revitalization programs. This fund includes grant funds from Community Development Block Grant program and the Neighborhood Partnership tax levy.

CITY OF CARROLLTON, TEXAS

Combining Balance Sheet
 Non-Major Governmental Funds
 September 30, 2016

	Special Revenue					Capital Projects					Total Other Governmental Funds	
	Hotel/Motel Tax	Public Safety	Cultural and Recreational	Parks and Recreation	Traffic	Tax Increment Reinvestment Zone	Community Development					
Assets												
Cash and cash equivalents	\$ 40,138	\$ 2,019,078	\$ 508,944	\$ 8,547,359	\$ 2,392,281	\$ 582,037	\$ 7,410,998			\$ 21,500,835		
Accrued interest receivable	-	2,225	182	13,144	4,141	1,022	6,751			27,465		
Due from other governments	-	-	-	199,625	-	-	19,573			219,198		
Prepaid items	67,220	-	-	-	-	-	-			67,220		
Total assets	\$ 107,358	\$ 2,021,303	\$ 509,126	\$ 8,760,128	\$ 2,396,422	\$ 583,059	\$ 7,437,322			\$ 21,814,718		
Liabilities and Fund Balances												
Liabilities:												
Accounts payable	\$ 59,579	\$ 195,489	\$ 61,791	\$ 366,751	\$ 34,103	\$ -	\$ 355,764			\$ 1,073,477		
Unearned revenue	47,775	-	-	-	-	-	-			47,775		
Total liabilities	107,354	195,489	61,791	366,751	34,103	-	355,764			1,121,252		
Fund balances:												
Restricted for:												
Capital projects	-	-	-	936,266	98,104	583,059	-			1,617,429		
Other purposes	4	1,825,814	-	-	-	-	-			1,825,818		
Committed to:												
Capital projects	-	-	-	1,301,762	-	-	2,724,792			4,026,554		
Assigned to:												
Capital projects	-	-	-	6,155,349	2,264,215	-	4,356,766			12,776,330		
Other purposes	-	-	447,335	-	-	-	-			447,335		
Total fund balances	4	1,825,814	447,335	8,393,377	2,362,319	583,059	7,081,558			20,693,466		
Total liabilities, deferred inflows and fund balances	\$ 107,358	\$ 2,021,303	\$ 509,126	\$ 8,760,128	\$ 2,396,422	\$ 583,059	\$ 7,437,322			\$ 21,814,718		

CITY OF CARROLLTON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended September 30, 2016

	Special Revenue				Capital Projects				Total Other Governmental Funds
	Hotel/Motel Tax	Public Safety	Cultural and Recreational	Parks and Recreation	Traffic	Tax Increment Reinvestment Zone	Community Development		
Revenues:									
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,028	\$ 3,571,961	\$ 3,797,989	
Occupancy tax	243,946	-	-	-	-	-	-	243,946	
Assessments	-	-	-	254,508	69,287	-	-	323,795	
Charges for services	96,137	-	-	121,819	-	-	-	217,956	
Intergovernmental	-	17,361	-	486,066	-	89,099	489,189	1,081,715	
Licenses and permits	-	-	35,335	-	-	-	-	35,335	
Fines and forfeitures	-	534,184	-	-	-	-	-	534,184	
Investment earnings	-	-	-	-	-	-	-	-	
net of change in fair value of investments	4	11,292	206	50,020	16,730	3,655	31,166	113,073	
Miscellaneous	-	-	142,892	15,593	-	-	4,236	162,721	
Total revenues	340,087	562,837	178,433	928,006	86,017	318,782	4,096,552	6,510,714	
Expenditures:									
Current:									
Public safety	-	252,423	-	-	-	-	-	252,423	
Development services	73,167	-	-	-	-	-	-	73,167	
Cultural and recreational	490,694	-	113,560	-	-	-	-	604,254	
Capital outlay	-	-	-	3,334,774	560,776	81,572	2,748,665	6,725,787	
Total expenditures	563,861	252,423	113,560	3,334,774	560,776	81,572	2,748,665	7,655,631	
Excess (deficiency) of revenues over expenditures	(223,774)	310,414	64,873	(2,406,768)	(474,759)	237,210	1,347,887	(1,144,917)	
Other financing sources:									
Bonds issued	-	-	-	2,550,000	250,000	-	-	2,800,000	
Transfers in	223,778	-	-	1,116,377	-	-	270,000	1,610,155	
	223,778	-	-	3,666,377	250,000	-	270,000	4,410,155	
Net change in fund balances	4	310,414	64,873	1,259,609	(224,759)	237,210	1,617,887	3,265,238	
Fund balances at beginning of year	-	1,515,400	382,462	7,133,768	2,587,078	345,849	5,463,671	17,428,228	
Fund balances at end of year	4	\$ 1,825,814	\$ 447,335	\$ 8,393,377	\$ 2,362,319	\$ 583,059	\$ 7,081,558	\$ 20,693,466	



CARROLLTON
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**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

Special Revenue and Debt Service Funds



CARROLLTON

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CITY OF CARROLLTON, TEXAS

Hotel/Motel Tax Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Occupancy tax	\$ 205,000	\$ 266,489	\$ 243,946	\$ (22,543)	\$ 210,835
Charges for services	50,000	110,324	96,137	(14,187)	51,306
Investment earnings net of change in fair value of investments	-	-	4	4	-
Total revenues	255,000	376,813	340,087	(36,726)	262,141
Expenditures:					
Current:					
Cultural and recreational	468,325	571,007	490,694	80,313	421,408
Development services	-	50,000	73,167	(23,167)	-
	468,325	621,007	563,861	57,146	421,408
Deficiency of revenues over expenditures	(213,325)	(244,194)	(223,774)	20,420	(159,267)
Other financing sources:					
Transfers in	213,325	244,194	223,778	(20,416)	84,933
Net change in fund balances	-	-	4	4	(74,334)
Fund balances at beginning of year	-	-	-	-	74,334
Fund balances at end of year	\$ -	\$ -	\$ 4	\$ 4	\$ -

CITY OF CARROLLTON, TEXAS

Public Safety Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Intergovernmental	\$ 18,400	\$ 17,361	\$ 17,361	\$ -	\$ 18,042
Fines and forfeitures	487,750	520,000	534,184	14,184	477,438
Investment earnings net of change in fair value of investments	4,670	9,430	11,292	1,862	8,128
Total revenues	510,820	546,791	562,837	16,046	503,608
Expenditures:					
Current:					
Public Safety	1,076,094	325,391	252,423	72,968	234,513
Net change in fund balances	(565,274)	221,400	310,414	89,014	269,095
Fund balances at beginning of year	1,515,400	1,515,400	1,515,400	-	1,246,305
Fund balances at end of year	\$ 950,126	\$ 1,736,800	\$ 1,825,814	\$ 89,014	\$ 1,515,400

CITY OF CARROLLTON, TEXAS

Cultural and Recreational Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 13,436
Licenses and permits	50,000	35,335	35,335	-	8,325
Investment earnings net of change in fair value of investments	200	325	206	(119)	1,626
Miscellaneous	40,000	65,000	142,892	77,892	54,840
Total revenues	90,200	100,660	178,433	77,773	78,227
Expenditures:					
Current:					
Cultural and recreational	381,713	189,000	113,560	75,440	52,496
Net change in fund balances	(291,513)	(88,340)	64,873	153,213	25,731
Fund balances at beginning of year	382,462	382,462	382,462	-	356,731
Fund balances at end of year	\$ 90,949	\$ 294,122	\$ 447,335	\$ 153,213	\$ 382,462

CITY OF CARROLLTON, TEXAS

Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016					2015	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Revenues:							
Taxes:							
Ad valorem	\$ 20,645,949	\$ 20,749,283	\$ 20,815,092	\$ -	\$ 20,815,092	\$ 65,809	\$ 19,797,514
Penalty and interest	100,000	59,000	56,432	-	56,432	(2,568)	96,441
Investment earnings net of change in fair value of investments	1,500	1,500	(2,459)	2,459	-	(1,500)	16,870
Total revenues	<u>20,747,449</u>	<u>20,809,783</u>	<u>20,869,065</u>	<u>2,459</u>	<u>20,871,524</u>	<u>61,741</u>	<u>19,910,825</u>
Expenditures:							
Debt service:							
Principal retirement	14,585,000	13,980,000	13,980,000	-	13,980,000	-	13,885,000
Interest and fiscal charges	<u>6,836,482</u>	<u>6,494,910</u>	<u>6,727,253</u>	<u>(232,130)</u>	<u>6,495,123</u>	<u>(213)</u>	<u>6,839,976</u>
Total expenditures	<u>21,421,482</u>	<u>20,474,910</u>	<u>20,707,253</u>	<u>(232,130)</u>	<u>20,475,123</u>	<u>(213)</u>	<u>20,724,976</u>
Excess (deficiency) of revenues over expenditures	(674,033)	334,873	161,812	234,589	396,401	61,528	(814,151)
Other financing sources:							
Bonds issued	-	-	116,854	(116,854)	-	-	-
Refunding bonds issued	-	-	11,435,000	(11,435,000)	-	-	26,660,000
Premium on bonds issued	-	-	2,212,386	(2,212,386)	-	-	3,585,777
Payment to refunded bond escrow agent	-	-	(13,532,110)	13,532,110	-	-	(29,919,123)
Total other financing sources	-	-	<u>232,130</u>	<u>(232,130)</u>	-	-	<u>326,654</u>
Net change in fund balances	(674,033)	334,873	393,942	2,459	396,401	61,528	(487,497)
Fund balances at beginning of year	<u>4,294,882</u>	<u>4,294,882</u>	<u>4,297,818</u>	<u>(2,936)</u>	<u>4,294,882</u>	-	<u>4,785,315</u>
Fund balances at end of year	<u>\$ 3,620,849</u>	<u>\$ 4,629,755</u>	<u>\$ 4,691,760</u>	<u>\$ (477)</u>	<u>\$ 4,691,283</u>	<u>\$ 61,528</u>	<u>\$ 4,297,818</u>

**SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

General Fund

These supplementary statements and schedules are included to provide management additional information for financial analysis.

CITY OF CARROLLTON, TEXAS

General Fund
Comparative Balance Sheets
September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$21,541,433	\$18,522,119
Receivables (net, where applicable, of allowance for doubtful accounts)		
Ad valorem taxes	13,489	-
Sales taxes	2,829,211	2,835,696
Franchise fees	3,096,925	3,062,089
Accrued interest	113,247	62,793
Other	183,760	683,509
Due from other funds	-	-
Due from other governments	27,543	2,089
Prepaid items	-	145,345
	<u> </u>	<u> </u>
Total assets	<u>\$27,805,608</u>	<u>\$25,313,640</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 6,240,255	\$ 6,217,450
Unearned revenue	10,337	10,182
	<u> </u>	<u> </u>
Total liabilities	<u>6,250,592</u>	<u>6,227,632</u>
Fund balances:		
Nonspendable for:		
Prepaid items	-	145,345
Assigned to:		
Purchases on order	213,086	331,730
Unassigned	21,341,930	18,608,933
	<u> </u>	<u> </u>
Total fund balances	<u>21,555,016</u>	<u>19,086,008</u>
	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$27,805,608</u>	<u>\$25,313,640</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016					Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual GAAP	Adjustments	Actual		Actual
	Original	Final	Basis	Budget Basis	Budget Basis		GAAP Basis
Revenues:							
Taxes:							
Ad valorem	\$ 37,600,495	\$ 37,865,000	38,015,944	\$ -	\$ 38,015,944	\$ 150,944	\$ 35,445,817
Penalty and interest	200,000	250,000	236,093	-	236,093	(13,907)	217,625
Sales	31,628,000	35,111,993	34,512,467	-	34,512,467	(599,526)	31,238,022
Franchise fees	11,345,046	11,241,602	11,412,565	-	11,412,565	170,963	11,395,148
Charges for services	5,150,462	5,582,789	5,892,576	-	5,892,576	309,787	5,485,692
Intergovernmental	-	-	96,015	-	96,015	96,015	17,328
Licenses and permits	2,937,969	3,043,206	3,038,325	-	3,038,325	(4,881)	2,797,402
Fines and forfeitures	6,400,700	5,975,303	5,714,631	-	5,714,631	(260,672)	6,833,415
Investment earnings							
net of change in fair value							
of investments	261,450	433,000	460,909	10,434	471,343	38,343	337,074
Miscellaneous	665,900	759,500	529,415	-	529,415	(230,085)	636,249
Total revenues	<u>96,190,022</u>	<u>100,262,393</u>	<u>99,908,940</u>	<u>10,434</u>	<u>99,919,374</u>	<u>(343,019)</u>	<u>94,403,772</u>
Expenditures:							
Current:							
General government							
and administration	18,146,719	16,013,943	14,014,017	(31,472)	13,982,545	2,031,398	14,249,773
Public safety	51,979,936	52,862,071	52,651,617	(27,446)	52,624,171	237,900	50,226,235
Development services	11,389,955	11,138,099	10,840,186	(46,799)	10,793,387	344,712	9,979,839
Cultural and recreational	12,031,023	11,653,077	11,320,937	(12,927)	11,308,010	345,067	11,013,334
Total expenditures	<u>93,547,633</u>	<u>91,667,190</u>	<u>88,826,757</u>	<u>(118,644)</u>	<u>88,708,113</u>	<u>2,959,077</u>	<u>85,469,181</u>
Excess (deficiency) of revenues							
over expenditures	<u>2,642,389</u>	<u>8,595,203</u>	<u>11,082,183</u>	<u>129,078</u>	<u>11,211,261</u>	<u>2,616,058</u>	<u>8,934,591</u>
Other financing sources (uses):							
Transfers in	5,344,087	5,324,032	5,165,841	407,630	5,573,471	249,439	5,860,439
Transfers out	<u>(8,542,044)</u>	<u>(15,032,915)</u>	<u>(13,779,016)</u>	<u>(407,630)</u>	<u>(14,186,646)</u>	<u>846,269</u>	<u>(16,513,246)</u>
Total other financing							
sources (uses)	<u>(3,197,957)</u>	<u>(9,708,883)</u>	<u>(8,613,175)</u>	<u>-</u>	<u>(8,613,175)</u>	<u>1,095,708</u>	<u>(10,652,807)</u>
Net change in fund balances	(555,568)	(1,113,680)	2,469,008	129,078	2,598,086	3,711,766	(1,718,216)
Fund balances at beginning							
of year	<u>18,741,660</u>	<u>18,741,660</u>	<u>19,086,008</u>	<u>(344,348)</u>	<u>18,741,660</u>	<u>-</u>	<u>20,804,224</u>
Fund balances at end of year	<u>\$ 18,186,092</u>	<u>\$ 17,627,980</u>	<u>\$ 21,555,016</u>	<u>\$ (215,270)</u>	<u>\$ 21,339,746</u>	<u>\$ 3,711,766</u>	<u>\$ 19,086,008</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Revenues - Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016					2015	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Taxes:							
Ad valorem	\$ 37,600,495	\$ 37,865,000	\$ 38,015,944	\$ -	\$ 38,015,944	\$ 150,944	\$ 35,445,817
Penalty and interest	200,000	250,000	236,093	-	236,093	(13,907)	217,625
Sales:							
City sales	31,460,592	34,944,012	34,341,822	-	34,341,822	(602,190)	31,070,691
Mixed drink	167,408	167,981	170,645	-	170,645	2,664	167,331
Total sales	31,628,000	35,111,993	34,512,467	-	34,512,467	(599,526)	31,238,022
Franchise fees:							
Electric	5,773,179	5,765,884	5,809,799	-	5,809,799	43,915	5,686,421
Telecommunications	1,376,638	1,618,503	1,671,705	-	1,671,705	53,202	1,532,723
Gas	1,370,257	954,919	1,095,595	-	1,095,595	140,676	1,331,550
Cable	1,914,972	1,887,296	1,830,807	-	1,830,807	(56,489)	1,867,598
Solid waste	910,000	1,015,000	1,004,659	-	1,004,659	(10,341)	976,856
Total franchise	11,345,046	11,241,602	11,412,565	-	11,412,565	170,963	11,395,148
Charges for services:							
Public safety service fees	2,383,808	2,804,956	2,857,157	-	2,857,157	52,201	2,845,114
Culture and recreation fees	2,281,654	2,178,504	2,187,381	-	2,187,381	8,877	2,113,076
Other service fees	485,000	599,329	848,038	-	848,038	248,709	527,502
Total charges for services	5,150,462	5,582,789	5,892,576	-	5,892,576	309,787	5,485,692
Intergovernmental	-	-	96,015	-	96,015	96,015	17,328
Licenses and permits:							
Building permits	2,016,606	2,048,649	2,085,417	-	2,085,417	36,768	1,849,518
Licenses	50,358	48,741	49,263	-	49,263	522	52,581
Environmental health charges	766,005	825,816	818,669	-	818,669	(7,147)	782,229
Other licenses and permits	105,000	120,000	84,976	-	84,976	(35,024)	113,074
Total licenses and permits	2,937,969	3,043,206	3,038,325	-	3,038,325	(4,881)	2,797,402
Fines and forfeitures:							
Municipal court	6,272,200	5,844,303	5,568,839	-	5,568,839	(275,464)	6,699,513
Other fines	128,500	131,000	145,792	-	145,792	14,792	133,902
Total fines and forfeitures	6,400,700	5,975,303	5,714,631	-	5,714,631	(260,672)	6,833,415
Investment earnings net of change in fair value of investments	261,450	433,000	460,909	10,434	471,343	38,343	337,074
Miscellaneous	665,900	759,500	529,415	-	529,415	(230,085)	636,249
Total revenues	\$ 96,190,022	\$ 100,262,393	\$ 99,908,940	\$ 10,434	\$ 99,919,374	\$ (343,019)	\$ 94,403,772

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016					Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
General government and administration:							
City council:							
Personal services	\$ 24,400	\$ 24,400	\$ 23,743	\$ -	\$ 23,743	\$ 657	\$ 23,548
Supplies and services	117,903	113,728	59,931	2,715	62,646	51,082	138,176
Utilities	6,983	6,754	6,637	-	6,637	117	6,931
Allocations	788	788	788	-	788	-	750
	<u>150,074</u>	<u>145,670</u>	<u>91,099</u>	<u>2,715</u>	<u>93,814</u>	<u>51,856</u>	<u>169,405</u>
City management:							
Personal services	1,175,392	1,185,495	1,177,543	-	1,177,543	7,952	1,152,789
Supplies and services	136,041	132,473	163,071	-	163,071	(30,598)	99,675
Utilities	4,559	4,410	4,334	-	4,334	76	4,525
Allocations	10,078	10,078	10,078	-	10,078	-	9,598
	<u>1,326,070</u>	<u>1,332,456</u>	<u>1,355,026</u>	<u>-</u>	<u>1,355,026</u>	<u>(22,570)</u>	<u>1,266,587</u>
Marketing Services:							
Personal services	330,926	361,477	358,348	-	358,348	3,129	315,338
Supplies and services	107,565	111,545	83,030	(1,671)	81,359	30,186	91,919
Utilities	1,940	1,877	1,845	-	1,845	32	1,926
Allocations	8,086	8,094	8,100	-	8,100	(6)	7,084
	<u>448,517</u>	<u>482,993</u>	<u>451,323</u>	<u>(1,671)</u>	<u>449,652</u>	<u>33,341</u>	<u>416,267</u>
Accounting:							
Personal services	496,629	504,153	504,285	-	504,285	(132)	504,397
Supplies and services	153,618	153,418	145,877	1,568	147,445	5,973	134,901
Utilities	2,188	2,115	2,079	-	2,079	36	2,172
Allocations	5,298	5,298	5,298	-	5,298	-	5,046
	<u>657,733</u>	<u>664,984</u>	<u>657,539</u>	<u>1,568</u>	<u>659,107</u>	<u>5,877</u>	<u>646,516</u>
Finance administration:							
Personal services	490,819	502,810	503,380	-	503,380	(570)	490,325
Supplies and services	461,399	444,944	442,097	-	442,097	2,847	421,404
Utilities	1,623	1,569	1,542	-	1,542	27	1,610
Allocations	6,766	6,766	6,766	-	6,766	-	6,444
	<u>960,607</u>	<u>956,089</u>	<u>953,785</u>	<u>-</u>	<u>953,785</u>	<u>2,304</u>	<u>919,783</u>
Budget and management analysis:							
Personal services	324,669	254,219	179,077	-	179,077	75,142	242,124
Supplies and services	15,730	10,230	1,565	-	1,565	8,665	3,604
Utilities	1,786	1,728	1,698	-	1,698	30	1,774
Allocations	3,294	3,294	3,294	-	3,294	-	3,137
	<u>345,479</u>	<u>269,471</u>	<u>185,634</u>	<u>-</u>	<u>185,634</u>	<u>83,837</u>	<u>250,639</u>
Purchasing:							
Personal services	173,336	163,578	163,739	-	163,739	(161)	158,875
Supplies and services	6,625	6,176	3,434	-	3,434	2,742	3,461
Utilities	2,536	2,454	2,411	-	2,411	43	2,518
Allocations	1,415	1,415	1,414	-	1,414	1	1,348
	<u>183,912</u>	<u>173,623</u>	<u>170,998</u>	<u>-</u>	<u>170,998</u>	<u>2,625</u>	<u>166,202</u>
General services:							
Personal services	86,519	73,497	73,646	-	73,646	(149)	71,722
Supplies and services	52,422	45,162	38,445	-	38,445	6,717	37,780
Utilities	2,988	2,890	2,840	-	2,840	50	2,966
Allocations	1,367	1,367	1,367	-	1,367	-	2,497
	<u>143,296</u>	<u>122,916</u>	<u>116,298</u>	<u>-</u>	<u>116,298</u>	<u>6,618</u>	<u>114,965</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016					Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
General government and administration (continued):							
Information technology:							
Personal services	\$ 159,708	\$ 165,570	\$ 165,913	\$ -	\$ 165,913	\$ (343)	\$ 161,338
Supplies and services	6,318,876	6,266,842	5,717,610	1,004	5,718,614	548,228	5,927,297
Utilities	27,324	27,993	27,739	-	27,739	254	28,043
Allocations	44,195	44,195	44,340	-	44,340	(145)	42,090
	<u>6,550,103</u>	<u>6,504,600</u>	<u>5,955,602</u>	<u>1,004</u>	<u>5,956,606</u>	<u>547,994</u>	<u>6,158,768</u>
Workforce services:							
Personal services	590,047	578,174	551,271	-	551,271	26,903	522,753
Supplies and services	92,171	92,171	74,289	99	74,388	17,783	79,288
Utilities	4,149	4,013	3,943	-	3,943	70	4,118
Allocations	6,046	6,046	6,046	-	6,046	-	5,758
	<u>692,413</u>	<u>680,404</u>	<u>635,549</u>	<u>99</u>	<u>635,648</u>	<u>44,756</u>	<u>611,917</u>
City attorney:							
Personal services	632,353	580,237	552,782	-	552,782	27,455	539,557
Supplies and services	391,635	79,406	93,189	(1,628)	91,561	(12,155)	136,673
Utilities	2,577	2,493	2,450	-	2,450	43	2,558
Allocations	6,098	6,098	6,098	-	6,098	-	5,808
	<u>1,032,663</u>	<u>668,234</u>	<u>654,519</u>	<u>(1,628)</u>	<u>652,891</u>	<u>15,343</u>	<u>684,596</u>
Facilities services:							
Personal services	454,238	465,346	468,626	-	468,626	(3,280)	451,447
Supplies and services	761,707	755,468	753,178	(28,010)	725,168	30,300	771,151
Utilities	84,828	76,738	66,828	-	66,828	9,910	94,881
Allocations	47,826	47,838	47,837	-	47,837	1	43,119
	<u>1,348,599</u>	<u>1,345,390</u>	<u>1,336,469</u>	<u>(28,010)</u>	<u>1,308,459</u>	<u>36,931</u>	<u>1,360,598</u>
Resolution center:							
Personal services	617,946	608,165	599,611	-	599,611	8,554	572,596
Supplies and services	7,496	6,389	4,982	-	4,982	1,407	5,323
Utilities	-	4,028	3,871	-	3,871	157	-
Allocations	3,583	3,583	3,583	-	3,583	-	3,412
Capital outlay	7,405	7,405	7,663	-	7,663	(258)	380
	<u>636,430</u>	<u>629,570</u>	<u>619,710</u>	<u>-</u>	<u>619,710</u>	<u>9,860</u>	<u>581,711</u>
Organizational Development:							
Personal services	267,799	274,339	254,148	-	254,148	20,191	286,248
Supplies and services	41,854	48,425	44,453	-	44,453	3,972	17,237
Utilities	2,071	2,024	2,092	-	2,092	(68)	2,069
Allocations	2,199	2,199	2,199	-	2,199	-	2,094
	<u>313,923</u>	<u>326,987</u>	<u>302,892</u>	<u>-</u>	<u>302,892</u>	<u>24,095</u>	<u>307,648</u>
Non-departmental:							
Personal services	1,935,502	942,756	-	-	-	942,756	-
Supplies and services	658,945	496,711	488,969	-	488,969	7,742	535,192
Allocations	704,453	213,089	7,645	-	7,645	205,444	4,244
Capital outlay	58,000	58,000	30,960	(5,549)	25,411	32,589	54,735
	<u>3,356,900</u>	<u>1,710,556</u>	<u>527,574</u>	<u>(5,549)</u>	<u>522,025</u>	<u>1,188,531</u>	<u>594,171</u>
Total general government and administration	<u>18,146,719</u>	<u>16,013,943</u>	<u>14,014,017</u>	<u>(31,472)</u>	<u>13,982,545</u>	<u>2,031,398</u>	<u>14,249,773</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016					Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual	Adjustments	Actual		Actual
	Original	Final	GAAP Basis	Budget Basis	Budget Basis		GAAP Basis
Public safety:							
Police management services:							
Personal services	\$ 9,134,502	\$ 8,522,052	\$ 8,721,506	\$ -	\$ 8,721,506	\$ (199,454)	\$ 9,061,960
Supplies and services	845,005	871,248	686,602	44,179	730,781	140,467	712,540
Utilities	90,858	83,840	81,494	-	81,494	2,346	90,034
Allocations	144,344	144,344	144,344	-	144,344	-	137,470
Capital outlay	6,750	6,750	6,198	-	6,198	552	16,923
	<u>10,221,459</u>	<u>9,628,234</u>	<u>9,640,144</u>	<u>44,179</u>	<u>9,684,323</u>	<u>(56,089)</u>	<u>10,018,927</u>
Police operations:							
Personal services	10,994,475	11,690,507	11,718,349	-	11,718,349	(27,842)	10,592,407
Supplies and services	1,377,582	1,254,973	1,261,485	(28,828)	1,232,657	22,316	1,205,241
Utilities	28,214	25,779	24,000	-	24,000	1,779	28,289
Allocations	1,107,625	1,056,847	1,032,554	-	1,032,554	24,293	1,109,638
Capital outlay	403,589	54,000	22,243	8,070	30,313	23,687	112,478
	<u>13,911,485</u>	<u>14,082,106</u>	<u>14,058,631</u>	<u>(20,758)</u>	<u>14,037,873</u>	<u>44,233</u>	<u>13,048,053</u>
Fire operations:							
Personal services	16,002,508	17,657,499	17,220,040	-	17,220,040	437,459	16,186,621
Supplies and services	1,809,330	1,514,986	1,851,364	(6,731)	1,844,633	(329,647)	1,700,361
Utilities	115,061	112,635	111,199	-	111,199	1,436	114,213
Allocations	1,450,306	1,479,951	1,485,095	-	1,485,095	(5,144)	1,356,366
Capital outlay	44,000	44,000	44,000	-	44,000	-	44,644
	<u>19,421,205</u>	<u>20,809,071</u>	<u>20,711,698</u>	<u>(6,731)</u>	<u>20,704,967</u>	<u>104,104</u>	<u>19,402,205</u>
Fire support services:							
Personal services	1,657,915	1,641,121	1,673,070	-	1,673,070	(31,949)	1,567,644
Supplies and services	140,139	145,205	137,663	(34,897)	102,766	42,439	65,773
Utilities	5,576	5,393	5,300	-	5,300	93	5,534
Allocations	55,435	52,832	53,015	-	53,015	(183)	57,046
Capital outlay	-	-	28,981	(28,981)	-	-	-
	<u>1,859,065</u>	<u>1,844,551</u>	<u>1,898,029</u>	<u>(63,878)</u>	<u>1,834,151</u>	<u>10,400</u>	<u>1,695,997</u>
Emergency dispatch:							
Personal services	556,300	1,071,835	1,073,995	-	1,073,995	(2,160)	1,756,541
Supplies and services	1,612,680	1,046,839	1,051,375	-	1,051,375	(4,536)	57,600
Utilities	9,427	5,089	5,090	-	5,090	(1)	9,357
Allocations	11,804	11,804	11,804	-	11,804	-	11,241
Capital outlay	500	283	283	-	283	-	4,960
	<u>2,190,711</u>	<u>2,135,850</u>	<u>2,142,547</u>	<u>-</u>	<u>2,142,547</u>	<u>(6,697)</u>	<u>1,839,699</u>
Municipal court:							
Personal services	1,264,123	1,326,070	1,301,716	-	1,301,716	24,354	1,257,454
Supplies and services	251,786	248,675	213,478	1,100	214,578	34,097	201,011
Utilities	46,806	43,332	44,254	-	44,254	(922)	47,381
Allocations	60,787	60,787	60,786	-	60,786	1	62,516
Capital outlay	-	-	-	-	-	-	53,346
	<u>1,623,502</u>	<u>1,678,864</u>	<u>1,620,234</u>	<u>1,100</u>	<u>1,621,334</u>	<u>57,530</u>	<u>1,621,708</u>
Environmental services:							
Personal services	1,506,114	1,478,333	1,490,940	-	1,490,940	(12,607)	1,430,424
Supplies and services	385,393	366,747	270,278	18,642	288,920	77,827	318,024
Utilities	10,721	10,369	10,279	-	10,279	90	10,641
Allocations	58,532	58,666	58,666	-	58,666	-	63,130
	<u>1,960,760</u>	<u>1,914,115</u>	<u>1,830,163</u>	<u>18,642</u>	<u>1,848,805</u>	<u>65,310</u>	<u>1,822,219</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016					Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
Public safety (continued):							
Animal control:							
Personal services	\$ 628,220	\$ 600,585	\$ 601,054	\$ -	\$ 601,054	\$ (469)	\$ 606,576
Supplies and services	89,849	93,192	74,828	-	74,828	18,364	72,977
Utilities	41,593	41,151	39,937	-	39,937	1,214	42,776
Allocations	32,087	34,352	34,352	-	34,352	-	34,217
Capital outlay	-	-	-	-	-	-	20,881
	<u>791,749</u>	<u>769,280</u>	<u>750,171</u>	<u>-</u>	<u>750,171</u>	<u>19,109</u>	<u>777,427</u>
Total public safety	<u>51,979,936</u>	<u>52,862,071</u>	<u>52,651,617</u>	<u>(27,446)</u>	<u>52,624,171</u>	<u>237,900</u>	<u>50,226,235</u>
Development services:							
Transportation engineering:							
Personal services	720,950	728,046	749,500	-	749,500	(21,454)	763,640
Supplies and services	52,559	53,359	18,959	-	18,959	34,400	20,632
Utilities	2,814	2,722	2,675	-	2,675	47	2,793
Allocations	6,241	6,241	6,241	-	6,241	-	5,943
Capital outlay	67,820	67,020	18,040	-	18,040	48,980	24,597
	<u>850,384</u>	<u>857,388</u>	<u>795,415</u>	<u>-</u>	<u>795,415</u>	<u>61,973</u>	<u>817,605</u>
Civil engineering:							
Personal services	970,565	809,694	865,227	-	865,227	(55,533)	792,732
Supplies and services	69,941	107,997	60,968	-	60,968	47,029	47,078
Utilities	8,421	8,144	8,004	-	8,004	140	8,358
Allocations	24,927	24,086	24,086	-	24,086	-	19,267
Capital outlay	13,160	13,160	9,750	-	9,750	3,410	30,387
	<u>1,087,014</u>	<u>963,081</u>	<u>968,035</u>	<u>-</u>	<u>968,035</u>	<u>(4,954)</u>	<u>897,822</u>
Traffic operations:							
Personal services	798,130	750,376	786,038	-	786,038	(35,662)	671,029
Supplies and services	389,768	332,232	266,479	(13,488)	252,991	79,241	267,507
Utilities	1,001,581	919,314	989,881	-	989,881	(70,567)	996,836
Allocations	355,581	374,804	374,804	-	374,804	-	339,452
	<u>2,545,060</u>	<u>2,376,726</u>	<u>2,417,202</u>	<u>(13,488)</u>	<u>2,403,714</u>	<u>(26,988)</u>	<u>2,274,824</u>
Streets:							
Personal services	1,444,071	1,248,311	1,264,272	-	1,264,272	(15,961)	1,207,647
Supplies and services	1,156,726	1,072,055	1,024,244	3,042	1,027,286	44,769	1,047,515
Utilities	-	-	-	-	-	-	465
Allocations	630,286	611,173	612,417	-	612,417	(1,244)	572,089
Capital Outlay	54,000	54,000	85,260	(31,960)	53,300	700	7,924
	<u>3,285,083</u>	<u>2,985,539</u>	<u>2,986,193</u>	<u>(28,918)</u>	<u>2,957,275</u>	<u>28,264</u>	<u>2,835,640</u>
Drainage:							
Personal services	467,017	439,372	416,532	-	416,532	22,840	395,594
Supplies and services	217,357	227,833	250,544	-	250,544	(22,711)	205,115
Allocations	321,532	307,844	310,563	-	310,563	(2,719)	307,254
	<u>1,005,906</u>	<u>975,049</u>	<u>977,639</u>	<u>-</u>	<u>977,639</u>	<u>(2,590)</u>	<u>907,963</u>
Public works administration:							
Personal services	-	141,580	115,346	-	115,346	26,234	4,438
Supplies and services	-	8,000	(4,035)	-	(4,035)	12,035	(12,987)
Utilities	-	95	(27)	-	(27)	122	(7,103)
Allocations	(221,129)	(221,129)	(221,129)	-	(221,129)	-	(212,445)
	<u>(221,129)</u>	<u>(71,454)</u>	<u>(109,845)</u>	<u>-</u>	<u>(109,845)</u>	<u>38,391</u>	<u>(228,097)</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016					Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual	Adjustments	Actual		Actual
	Original	Final	GAAP Basis	Budget Basis	Budget Basis		GAAP Basis
Development services (continued):							
Planning:							
Personal services	\$ 225,649	\$ 275,316	277,021	\$ -	\$ 277,021	\$ (1,705)	\$ 225,675
Supplies and services	38,859	38,859	19,995	-	19,995	18,864	20,493
Utilities	1,715	1,658	1,630	-	1,630	28	1,702
Allocations	1,916	1,916	1,916	-	1,916	-	1,825
Capital Outlay	1,650	1,650	-	-	-	1,650	-
	<u>269,789</u>	<u>319,399</u>	<u>300,562</u>	<u>-</u>	<u>300,562</u>	<u>18,837</u>	<u>249,695</u>
Building inspection:							
Personal services	1,715,597	1,791,990	1,650,280	-	1,650,280	141,710	1,537,279
Supplies and services	89,768	91,139	75,192	-	75,192	15,947	84,541
Utilities	7,321	7,081	6,960	-	6,960	121	7,267
Allocations	35,249	37,553	37,553	-	37,553	-	33,977
Capital outlay	458	458	4,393	(4,393)	-	458	22,025
	<u>1,848,393</u>	<u>1,928,221</u>	<u>1,774,378</u>	<u>(4,393)</u>	<u>1,769,985</u>	<u>158,236</u>	<u>1,685,089</u>
Transit Oriented Development:							
Personal services	148,681	167,368	167,491	-	167,491	(123)	144,676
Supplies and services	45,916	45,926	17,804	-	17,804	28,122	24,083
Utilities	2,544	2,687	2,093	-	2,093	594	2,457
Allocations	1,348	1,348	1,348	-	1,348	-	1,284
	<u>198,489</u>	<u>217,329</u>	<u>188,736</u>	<u>-</u>	<u>188,736</u>	<u>28,593</u>	<u>172,500</u>
Economic development:							
Personal services	255,793	263,412	263,560	-	263,560	(148)	241,873
Supplies and services	259,688	318,004	272,947	-	272,947	45,057	119,605
Utilities	2,424	2,344	2,304	-	2,304	40	2,405
Allocations	3,061	3,061	3,060	-	3,060	1	2,915
Capital Outlay	-	-	-	-	-	-	-
	<u>520,966</u>	<u>586,821</u>	<u>541,871</u>	<u>-</u>	<u>541,871</u>	<u>44,950</u>	<u>366,798</u>
Total development services	<u>11,389,955</u>	<u>11,138,099</u>	<u>10,840,186</u>	<u>(46,799)</u>	<u>10,793,387</u>	<u>344,712</u>	<u>9,979,839</u>
Cultural and recreational:							
Library:							
Personal services	2,189,820	2,019,486	1,987,741	-	1,987,741	31,745	1,992,287
Supplies and services	267,797	316,392	289,966	(813)	289,153	27,239	197,518
Utilities	133,016	132,292	126,901	-	126,901	5,391	129,721
Allocations	27,887	27,887	27,887	-	27,887	-	26,559
Capital outlay	326,628	326,628	340,802	(12,710)	328,092	(1,464)	313,837
	<u>2,945,148</u>	<u>2,822,685</u>	<u>2,773,297</u>	<u>(13,523)</u>	<u>2,759,774</u>	<u>62,911</u>	<u>2,659,922</u>
Parks Non-Contract:							
Personal services	482,152	563,926	531,228	-	531,228	32,698	541,054
Supplies and services	217,289	193,750	169,508	-	169,508	24,242	127,396
Utilities	314,494	308,148	304,671	-	304,671	3,477	260,128
Allocations	66,152	63,961	63,961	-	63,961	-	66,696
Capital outlay	500	500	280	-	280	220	844
	<u>1,080,587</u>	<u>1,130,285</u>	<u>1,069,648</u>	<u>-</u>	<u>1,069,648</u>	<u>60,637</u>	<u>996,118</u>
Parks Contract:							
Personal services	1,167,407	1,132,556	1,229,925	-	1,229,925	(97,369)	1,121,414
Supplies and services	872,316	826,072	642,255	(22,094)	620,161	205,911	720,712
Allocations	238,104	229,098	217,142	-	217,142	11,956	216,309
Capital outlay	3,000	3,000	3,395	17,381	20,776	(17,776)	33,562
	<u>2,280,827</u>	<u>2,190,726</u>	<u>2,092,717</u>	<u>(4,713)</u>	<u>2,088,004</u>	<u>102,722</u>	<u>2,091,997</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2016
 With Comparative Actual Totals for 2015

	2016					Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
Cultural and recreational (continued):							
Tennis Center:							
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387
Supplies and services	15,540	15,540	5,581	6,875	12,456	3,084	3,649
Utilities	27,786	28,675	25,242	-	25,242	3,433	30,117
Allocations	7,793	7,793	7,793	-	7,793	-	7,422
	<u>51,119</u>	<u>52,008</u>	<u>38,616</u>	<u>6,875</u>	<u>45,491</u>	<u>6,517</u>	<u>41,575</u>
Leisure services:							
Personal services	555,088	540,579	560,429	-	560,429	(19,850)	530,169
Supplies and services	99,563	113,888	109,571	(4,680)	104,891	8,997	74,748
Utilities	644	905	759	-	759	146	818
Allocations	12,448	12,448	12,448	-	12,448	-	11,855
	<u>667,743</u>	<u>667,820</u>	<u>683,207</u>	<u>(4,680)</u>	<u>678,527</u>	<u>(10,707)</u>	<u>617,590</u>
Rosemeade Recreation Center:							
Personal services	256,546	242,170	246,634	-	246,634	(4,464)	278,804
Supplies and services	325,308	322,727	295,176	(337)	294,839	27,888	303,857
Utilities	60,566	62,140	59,855	-	59,855	2,285	59,325
Allocations	6,902	6,902	6,902	-	6,902	-	6,682
	<u>649,322</u>	<u>633,939</u>	<u>608,567</u>	<u>(337)</u>	<u>608,230</u>	<u>25,709</u>	<u>648,668</u>
Crosby Recreation Center:							
Personal services	256,237	176,173	209,844	-	209,844	(33,671)	235,605
Supplies and services	99,701	99,933	63,200	(437)	62,763	37,170	65,775
Utilities	42,239	39,936	37,971	-	37,971	1,965	41,094
Allocations	3,405	3,405	3,404	-	3,404	1	5,399
	<u>401,582</u>	<u>319,447</u>	<u>314,419</u>	<u>(437)</u>	<u>313,982</u>	<u>5,465</u>	<u>347,873</u>
Perry Museum:							
Personal services	74,939	92,508	79,902	-	79,902	12,606	74,387
Supplies and services	9,364	9,364	6,932	(411)	6,521	2,843	11,688
Utilities	9,161	8,088	7,828	-	7,828	260	8,778
	<u>93,464</u>	<u>109,960</u>	<u>94,662</u>	<u>(411)</u>	<u>94,251</u>	<u>15,709</u>	<u>94,853</u>
Senior Center:							
Personal services	212,333	223,132	197,979	-	197,979	25,153	199,918
Supplies and services	48,505	46,294	40,918	5,097	46,015	279	35,443
Utilities	39,171	35,773	42,179	-	42,179	(6,406)	37,035
Allocations	11,947	11,946	11,946	-	11,946	-	11,829
Capital outlay	21,043	21,043	21,043	-	21,043	-	-
	<u>332,999</u>	<u>338,188</u>	<u>314,065</u>	<u>5,097</u>	<u>319,162</u>	<u>19,026</u>	<u>284,225</u>
Athletics:							
Personal services	1,936,013	1,828,153	1,838,356	-	1,838,356	(10,203)	1,754,965
Supplies and services	972,426	966,404	862,992	(798)	862,194	104,210	873,459
Utilities	373,430	353,351	390,674	-	390,674	(37,323)	374,058
Allocations	234,863	228,611	228,610	-	228,610	1	214,802
Capital outlay	11,500	11,500	11,107	-	11,107	393	13,229
	<u>3,528,232</u>	<u>3,388,019</u>	<u>3,331,739</u>	<u>(798)</u>	<u>3,330,941</u>	<u>57,078</u>	<u>3,230,513</u>
Total cultural and recreational	<u>12,031,023</u>	<u>11,653,077</u>	<u>11,320,937</u>	<u>(12,927)</u>	<u>11,308,010</u>	<u>345,067</u>	<u>11,013,334</u>
Total expenditures	<u>\$ 93,547,633</u>	<u>\$ 91,667,190</u>	<u>\$ 88,826,757</u>	<u>\$ (118,644)</u>	<u>\$ 88,708,113</u>	<u>\$ 2,959,077</u>	<u>\$ 85,469,181</u> (concluded)

COMBINING FINANCIAL STATEMENTS

Internal Service Funds

Internal Service Funds account for the financing of goods or services provided by one City department for another.

Fleet Services Fund - to account for the cost of operating and maintaining automotive and other equipment used by City departments and the purchase of general government vehicles (those not used by enterprise fund activities). Service charges are billed to departments on a monthly basis to cover all expenses of the fund.

Risk Management Fund - to account for the operation of a self-insurance fund covering all City property, vehicles, liability and workers' compensation expenses. The City operates under a self-insured retention and commercial insurance coverage purchases, with workers' compensation claims administered by an outside agency.

Employee Health and Disability Fund - to account for the provision of group accident, health and long-term disability insurance coverage for all City employees and those retirees choosing to stay on the plan.

CITY OF CARROLLTON, TEXAS

Internal Service Funds
 Combining Statement of Net Position
 September 30, 2016

	Fleet Services	Risk Management	Employee Health and Disability	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 5,523,769	\$ 4,592,871	\$ 5,842,970	\$ 15,959,610
Receivables:				
Accrued interest	8,880	7,842	9,961	26,683
Other	-	-	119,668	119,668
Inventories	49,494	-	-	49,494
Prepaid items	-	118,000	7,367	125,367
Total current assets	<u>5,582,143</u>	<u>4,718,713</u>	<u>5,979,966</u>	<u>16,280,822</u>
Noncurrent assets:				
Capital assets:				
Buildings	176,409	-	-	176,409
Equipment	20,603,977	-	-	20,603,977
Intangibles	34,314	70,400	-	104,714
Accumulated depreciation	(12,293,518)	(70,400)	-	(12,363,918)
Total capital assets, net of accumulated depreciation	<u>8,521,182</u>	<u>-</u>	<u>-</u>	<u>8,521,182</u>
Total assets	<u>14,103,325</u>	<u>4,718,713</u>	<u>5,979,966</u>	<u>24,802,004</u>
Liabilities				
Current liabilities:				
Accounts payable	343,783	154,182	16,310	514,275
Estimated health claims payable	-	-	1,038,000	1,038,000
Total current liabilities	<u>343,783</u>	<u>154,182</u>	<u>1,054,310</u>	<u>1,552,275</u>
Noncurrent liabilities:				
Compensated absences	-	32,606	-	32,606
Other post employment benefits obligation	-	-	1,835,904	1,835,904
Long-term risk liability	-	1,585,644	-	1,585,644
Total noncurrent liabilities	<u>-</u>	<u>1,618,250</u>	<u>1,835,904</u>	<u>3,454,154</u>
Total liabilities	<u>343,783</u>	<u>1,772,432</u>	<u>2,890,214</u>	<u>5,006,429</u>
Net Position				
Investment in capital assets	8,521,182	-	-	8,521,182
Unrestricted	5,238,360	2,946,281	3,089,752	11,274,393
Total net position	<u>\$ 13,759,542</u>	<u>\$ 2,946,281</u>	<u>\$ 3,089,752</u>	<u>\$ 19,795,575</u>

CITY OF CARROLLTON, TEXAS

Internal Service Funds
 Combining Statement of Revenues, Expenses and Changes in Net Position
 For the Year Ended September 30, 2016

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Operating revenues:				
Charges for services	\$ 5,717,063	\$ 2,091,401	\$ 9,348,871	\$ 17,157,335
Operating expenses:				
Personal services	74,443	94,095	-	168,538
Supplies and services	2,567,175	1,983,886	12,243,301	16,794,362
Utilities	27,202	342	-	27,544
Allocations	55,572	-	-	55,572
Depreciation	2,052,140	-	-	2,052,140
Total operating expenses	4,776,532	2,078,323	12,243,301	19,098,156
Income (loss) from operations	940,531	13,078	(2,894,430)	(1,940,821)
Nonoperating revenues:				
Investment earnings net of change in fair value of investments	32,881	29,965	42,254	105,100
Gain on sale/retirement of capital assets	123,312	-	-	123,312
Total nonoperating revenues	156,193	29,965	42,254	228,412
Income (loss) before transfers	1,096,724	43,043	(2,852,176)	(1,712,409)
Transfers in	52,786	-	-	52,786
Transfers out	(227,754)	(105,398)	-	(333,152)
Change in net position	921,756	(62,355)	(2,852,176)	(1,992,775)
Net position at beginning of year	12,837,786	3,008,636	5,941,928	21,788,350
Net position at end of year	\$ 13,759,542	\$ 2,946,281	\$ 3,089,752	\$ 19,795,575

CITY OF CARROLLTON, TEXAS

Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2016

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Cash flows from operating activities:				
Cash received from employees for services	\$ -	\$ -	\$ 1,553,739	\$ 1,553,739
Cash received from other funds for services	5,717,063	2,091,401	7,745,700	15,554,164
Cash received from loss claim recoveries and refunds	-	174,989	536,394	711,383
Cash payments to suppliers for goods and services	(2,508,918)	(477,445)	(2,101,773)	(5,088,136)
Cash payments to employees for services	(67,674)	(81,303)	-	(148,977)
Cash payments for loss claims	-	(1,265,511)	(9,790,408)	(11,055,919)
Cash payments to other funds for services	(59,170)	(6,307)	-	(65,477)
Net cash provided (used) by operating activities	<u>3,081,301</u>	<u>435,824</u>	<u>(2,056,348)</u>	<u>1,460,777</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	<u>(227,754)</u>	<u>(105,398)</u>	<u>-</u>	<u>(333,152)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,390,623)	-	-	(1,390,623)
Proceeds from sale of capital assets	<u>129,828</u>	<u>-</u>	<u>-</u>	<u>129,828</u>
Net cash used by capital and related financing activities	<u>(1,260,795)</u>	<u>-</u>	<u>-</u>	<u>(1,260,795)</u>
Cash flows from investing activities:				
Interest on cash and cash equivalents	<u>27,567</u>	<u>26,545</u>	<u>40,416</u>	<u>94,528</u>
Net increase (decrease) in cash and cash equivalents				
	1,620,319	356,971	(2,015,932)	(38,642)
Cash and cash equivalents, October 1	<u>3,903,450</u>	<u>4,235,900</u>	<u>7,858,902</u>	<u>15,998,252</u>
Cash and cash equivalents, September 30	<u>\$ 5,523,769</u>	<u>\$ 4,592,871</u>	<u>\$ 5,842,970</u>	<u>\$ 15,959,610</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:				
Income (loss) from operations	\$ 940,531	\$ 13,078	\$ (2,894,430)	\$ (1,940,821)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	2,052,140	-	-	2,052,140
Change in assets and liabilities:				
Decrease in other receivables	-	-	64,388	64,388
Decrease in inventories	5,604	-	-	5,604
Decrease in prepaid items	-	23,000	-	23,000
Increase (decrease) in accounts payable	83,026	51,051	(116,629)	17,448
Increase in estimated health claims payable	-	-	(64,000)	(64,000)
Decrease in liability for compensated absences	-	5,681	-	5,681
Increase in long-term risk liability	-	343,014	-	343,014
Increase in other post employment benefits obligation	-	-	954,323	954,323
Net cash provided (used) by operating activities	<u>\$ 3,081,301</u>	<u>\$ 435,824</u>	<u>\$ (2,056,348)</u>	<u>\$ 1,460,777</u>

Noncash investing, capital, and financing activities:
 During this past year, the Internal Service Funds received assets with a net value of \$52,786 from the Governmental Activities.

**SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL STATEMENTS**

Proprietary Funds

These supplementary statements and schedules are included to provide management additional information for financial analysis.



CARROLLTON

TEXAS

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund
 Comparative Statements of Net Position
 September 30, 2016 and 2015

Assets	2016	2015
Current assets:		
Cash and cash equivalents	\$ 21,368,487	\$ 19,805,724
Receivables (net, where applicable, of allowance for doubtful accounts of \$137,006 in 2016 and \$141,992 in 2015):		
Accounts	4,450,829	5,043,584
Accrued interest	43,030	24,068
Restricted assets:		
Cash and cash equivalents	3,428,471	3,413,214
Total current assets	29,290,817	28,286,590
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	1,426,329	1,460,318
Capital assets:		
Land	1,382,918	1,372,868
Buildings	18,038,700	18,038,700
Equipment	4,982,482	3,989,625
Intangibles	868,612	770,112
Infrastructure	239,589,258	237,949,632
Construction in progress	-	273,970
Accumulated depreciation	(139,366,148)	(132,053,043)
Total capital assets, net of accumulated depreciation	125,495,822	130,341,864
Total noncurrent assets	126,922,151	131,802,182
Total assets	156,212,968	160,088,772
Deferred outflows of resources		
Deferred charges on refundings	153,750	177,104
Pension contributions after measurement date	223,937	220,148
Difference in projected and actual earnings on pension assets	915,094	139,985
Changes in actuarial assumptions used to determine pension liability	145,989	-
Total deferred outflows of resources	1,438,770	537,237
Liabilities		
Current liabilities:		
Accounts payable	1,815,592	1,582,107
Customer deposits payable	2,664,146	2,648,962
Revenue bonds payable	1,409,120	1,359,120
Compensated absences	57,273	46,773
Accrued interest	218,491	239,252
Total current liabilities	6,164,622	5,876,214
Noncurrent liabilities:		
Revenue bonds payable	12,169,237	13,578,357
Net pension liability	1,346,172	293,046
Compensated absences	608,352	649,252
Total noncurrent liabilities	14,123,761	14,520,655
Total liabilities	20,288,383	20,396,869
Deferred inflow of resources		
Difference in expected and actual pension experience	72,551	63,979
Net Position		
Net investment in capital assets	112,617,048	116,106,491
Restricted for:		
Revenue bond retirement	1,426,329	1,460,318
Unrestricted	23,247,427	22,598,352
Total net position	\$ 137,290,804	\$ 140,165,161

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	\$ 37,361,058	\$ 35,301,330
Miscellaneous	204,467	174,697
Total operating revenues	<u>37,565,525</u>	<u>35,476,027</u>
 Operating expenses:		
Personal services	4,160,938	3,740,948
Supplies and services	23,830,734	21,549,538
Utilities	874,429	858,560
Allocations	1,209,405	1,175,733
Depreciation	7,443,949	7,291,949
Total operating expenses	<u>37,519,455</u>	<u>34,616,728</u>
 Income from operations	<u>46,070</u>	<u>859,299</u>
 Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	172,784	192,902
Gain on sale/retirement of capital assets	37,256	29,757
Interest expense	(477,678)	(521,786)
Total nonoperating revenues (expenses)	<u>(267,638)</u>	<u>(299,127)</u>
 Income (loss) before contributions and transfers	(221,568)	560,172
 Capital contributions	1,003,684	2,027,734
Transfers in	6,660	-
Transfers out	<u>(3,663,133)</u>	<u>(3,587,841)</u>
 Change in net position	(2,874,357)	(999,935)
 Net position at beginning of year	<u>140,165,161</u>	<u>141,165,096</u>
 Net position at end of year	<u>\$ 137,290,804</u>	<u>\$ 140,165,161</u>

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 37,924,078	\$ 34,254,532
Other operating cash receipts	204,467	174,697
Cash payments to suppliers for goods and services	(25,131,312)	(22,453,213)
Cash payments to employees for services	(3,429,794)	(3,164,429)
Cash payments to other funds for services	(1,390,686)	(1,470,609)
Net cash provided by operating activities	<u>8,176,753</u>	<u>7,340,978</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(3,663,133)</u>	<u>(3,587,841)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,228,148)	(5,669,782)
Proceeds from sale of capital assets	43,972	29,757
Interest paid on bonds	(574,205)	(614,229)
Retirement of bonds	(1,260,000)	(1,215,000)
Capital contributions	894,970	894,440
Net cash used by capital and related financing activities	<u>(3,123,411)</u>	<u>(6,574,814)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>153,822</u>	<u>203,908</u>
Net increase (decrease) in cash and cash equivalents	1,544,031	(2,617,769)
Cash and cash equivalents, October 1	<u>24,679,256</u>	<u>27,297,025</u>
Cash and cash equivalents, September 30	<u>\$ 26,223,287</u>	<u>\$ 24,679,256</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 46,070	\$ 859,299
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	7,443,949	7,291,949
Provision for doubtful accounts	44,919	44,450
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources		
(Increase) decrease in accounts receivable	547,836	(1,170,484)
Increase in pension related deferred outflows	(924,887)	(146,553)
Increase (decrease) in accounts payable	(27,616)	266,369
Increase in customer deposits payable	15,184	123,686
Increase (decrease) in net pension liability	1,053,126	(37,384)
Increase (decrease) in liability for compensated absences	(30,400)	45,667
Increase in pension related deferred inflows	8,572	63,979
Net cash provided by operating activities	<u>\$ 8,176,753</u>	<u>\$ 7,340,978</u>
Noncash investing, capital, and financing activities:		
During this past year, the Water and Sewer Fund received \$108,714 noncash capital contributions from developers consisting of water and sewer infrastructure and assets with a net value of \$6,660 from the Governmental Activities.		
Reconciliation of total cash and cash equivalents:		
Current assets:		
Cash and cash equivalents	\$ 21,368,487	\$ 19,805,724
Restricted assets - cash and cash equivalents	3,428,471	3,413,214
Noncurrent assets:		
Restricted assets - cash and cash equivalents	<u>1,426,329</u>	<u>1,460,318</u>
Total cash and cash equivalents	<u>\$ 26,223,287</u>	<u>\$ 24,679,256</u>

CITY OF CARROLLTON, TEXAS

Golf Course Fund
 Comparative Statements of Net Position
 September 30, 2016 and 2015

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 64,160	\$ 172,477
Receivables:		
Accrued interest	-	443
Other	156,858	-
Due from other governments	557,072	-
Inventories	55,032	-
Prepaid items	910	-
Total current assets	834,032	172,920
Noncurrent assets:		
Capital assets:		
Land	995,000	995,000
Buildings	1,609,627	1,536,956
Equipment	967,305	777,704
Improvements	11,900,768	11,198,776
Construction in progress	-	58,176
Accumulated depreciation	(13,267,619)	(13,152,851)
Total capital assets, net of accumulated depreciation	2,205,081	1,413,761
Total assets	3,039,113	1,586,681
Liabilities		
Current liabilities:		
Accounts payable	194,738	74,003
Net Position		
Net investment in capital assets	2,205,081	1,413,761
Unrestricted	639,294	98,917
Total net position	\$ 2,844,375	\$ 1,512,678

CITY OF CARROLLTON, TEXAS

Golf Course Fund
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	\$ 976,527	\$ 556,913
Operating expenses:		
Supplies and services	1,503,591	486,724
Utilities	141,637	32,604
Allocations	10,395	9,900
Asset impairment loss	-	589,250
Depreciation	114,768	221,622
Total operating expenses	<u>1,770,391</u>	<u>1,340,100</u>
Loss from operations	<u>(793,864)</u>	<u>(783,187)</u>
Nonoperating revenues (expenses):		
Intergovernmental	557,072	-
Investment earnings net of change in fair value of investments	(110)	4,965
Gain on sale/retirement of capital assets	-	5,255
Interest expense	-	(19,535)
Total nonoperating revenues (expenses)	<u>556,962</u>	<u>(9,315)</u>
Loss before transfers	(236,902)	(792,502)
Transfers in	1,902,758	765,881
Transfers out	<u>(334,159)</u>	<u>(321,037)</u>
Change in net position	1,331,697	(347,658)
Net position at beginning of year	<u>1,512,678</u>	<u>1,860,336</u>
Net position at end of year	<u>\$ 2,844,375</u>	<u>\$ 1,512,678</u>

CITY OF CARROLLTON, TEXAS

Golf Course Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 819,669	\$ 684,897
Cash payments to suppliers for goods and services	(1,545,307)	(493,859)
Cash payments to other funds for services	(11,566)	(10,678)
Net cash provided (used) by operating activities	<u>(737,204)</u>	<u>180,360</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	1,902,758	-
Transfers to other funds	(334,159)	(321,037)
Net cash provided (used) by noncapital and related financing activities	<u>1,568,599</u>	<u>(321,037)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(940,045)	(178,210)
Proceeds from sale of capital assets	-	140,046
Interest paid on interfund loan	-	(19,535)
Retirement of interfund loan	-	(388,095)
Net cash used by capital and related financing activities	<u>(940,045)</u>	<u>(445,794)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>333</u>	<u>5,421</u>
Netdecrease in cash and cash equivalents	(108,317)	(581,050)
Cash and cash equivalents, October 1	<u>172,477</u>	<u>753,527</u>
Cash and cash equivalents, September 30	<u>\$ 64,160</u>	<u>\$ 172,477</u>
Reconciliation of loss from operations to net cash provided (used) by operating activities:		
Loss from operations	\$ (793,864)	\$ (783,187)
Adjustments to reconcile loss from operations to net cash provided (used) by operating activities:		
Asset impairment loss	-	589,250
Depreciation	114,768	221,622
Change in assets and liabilities:		
(Increase) decrease in other receivables	(156,858)	127,984
Increase in inventories	(910)	-
Increase in prepaid items	(55,032)	-
Increase in accounts payable	154,692	24,691
Net cash provided (used) by operating activities	<u>\$ (737,204)</u>	<u>\$ 180,360</u>

CITY OF CARROLLTON, TEXAS

Sanitation Fund
 Comparative Statements of Net Position
 September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 743,800	\$ 295,411
Receivables (net of applicable of allowance for doubtful accounts of \$40,921 in 2016 and \$42,611 in 2015)		
Accounts	1,035,292	961,184
Accrued interest	4,386	2,051
Total current assets	<u>1,783,478</u>	<u>1,258,646</u>
Noncurrent assets:		
Capital assets:		
Equipment	1,460,303	1,460,303
Accumulated depreciation	<u>(1,391,663)</u>	<u>(1,245,633)</u>
Total capital assets, net of accumulated depreciation	<u>68,640</u>	<u>214,670</u>
Total assets	<u>1,852,118</u>	<u>1,473,316</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>1,391,462</u>	<u>801,848</u>
Net Position		
Investment in capital assets	68,640	214,670
Unrestricted	<u>392,016</u>	<u>456,798</u>
Total net position	<u>\$ 460,656</u>	<u>\$ 671,468</u>

CITY OF CARROLLTON, TEXAS

Sanitation Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	\$ 9,492,356	\$ 8,231,572
Operating expenses:		
Supplies and services	7,161,356	5,802,631
Allocations	89,542	90,888
Depreciation	146,030	146,030
Total operating expenses	<u>7,396,928</u>	<u>6,039,549</u>
Income from operations	<u>2,095,428</u>	<u>2,192,023</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>13,468</u>	<u>8,267</u>
Income before transfers	2,108,896	2,200,290
Transfers out	<u>(2,319,708)</u>	<u>(2,332,269)</u>
Change in net position	(210,812)	(131,979)
Net position at beginning of year	<u>671,468</u>	<u>803,447</u>
Net position at end of year	<u>\$ 460,656</u>	<u>\$ 671,468</u>

CITY OF CARROLLTON, TEXAS

Sanitation Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 9,402,842	\$ 8,084,774
Cash payments to suppliers for goods and services	(6,571,742)	(5,887,405)
Cash payments to other funds for services	(74,136)	(70,604)
Net cash provided by operating activities	<u>2,756,964</u>	<u>2,126,765</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(2,319,708)</u>	<u>(2,332,269)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>11,133</u>	<u>8,974</u>
Net increase (decrease) in cash and cash equivalents	448,389	(196,530)
Cash and cash equivalents, October 1	<u>295,411</u>	<u>491,941</u>
Cash and cash equivalents, September 30	<u>\$ 743,800</u>	<u>\$ 295,411</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 2,095,428	\$ 2,192,023
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	146,030	146,030
Provisions for doubtful accounts	15,403	20,285
Change in assets and liabilities:		
Increase in accounts receivable	(89,511)	(146,798)
Increase (decrease) in accounts payable	589,614	(84,775)
Net cash provided by operating activities	<u>\$ 2,756,964</u>	<u>\$ 2,126,765</u>

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
 Comparative Statements of Net Position
 September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,523,769	\$ 3,903,450
Accrued interest receivable	8,880	3,566
Inventories	49,494	55,098
Total current assets	<u>5,582,143</u>	<u>3,962,114</u>
Noncurrent assets:		
Capital assets:		
Buildings	176,409	176,409
Equipment	20,603,977	20,123,383
Intangibles	34,314	34,314
Accumulated depreciation	(12,293,518)	(11,234,126)
Total capital assets, net of accumulated depreciation	<u>8,521,182</u>	<u>9,099,980</u>
Total assets	<u>14,103,325</u>	<u>13,062,094</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>343,783</u>	<u>224,308</u>
Net Position		
Investment in capital assets	8,521,182	9,099,980
Unrestricted	<u>5,238,360</u>	<u>3,737,806</u>
Total net position	<u>\$ 13,759,542</u>	<u>\$ 12,837,786</u>

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	<u>\$ 5,717,063</u>	<u>\$ 5,784,951</u>
Operating expenses:		
Personal services	74,443	73,842
Supplies and services	2,567,175	2,687,721
Utilities	27,202	28,343
Allocations	55,572	52,349
Depreciation	<u>2,052,140</u>	<u>2,020,839</u>
Total operating expenses	<u>4,776,532</u>	<u>4,863,094</u>
Income from operations	<u>940,531</u>	<u>921,857</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	32,881	23,878
Gain on sale/retirement of capital assets	<u>123,312</u>	<u>311,171</u>
Total nonoperating revenues	<u>156,193</u>	<u>335,049</u>
Income before transfers	1,096,724	1,256,906
Transfers in	52,786	500,000
Transfers out	<u>(227,754)</u>	<u>(218,810)</u>
Change in net position	921,756	1,538,096
Net position at beginning of year	<u>12,837,786</u>	<u>11,299,690</u>
Net position at end of year	<u><u>\$ 13,759,542</u></u>	<u><u>\$ 12,837,786</u></u>

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 5,717,063	\$ 5,784,951
Cash payments to suppliers for goods and services	(2,508,918)	(2,750,482)
Cash payments to employees for services	(67,674)	(65,564)
Cash payments to other funds for services	(59,170)	(58,232)
Net cash provided by operating activities	<u>3,081,301</u>	<u>2,910,673</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	-	500,000
Transfers to other funds	(227,754)	(218,810)
Net cash provided (used) by noncapital and related financing activities	<u>(227,754)</u>	<u>281,190</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,390,623)	(2,753,363)
Proceeds from sale of capital assets	129,828	320,447
Net cash used by capital and related financing activities	<u>(1,260,795)</u>	<u>(2,432,916)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>27,567</u>	<u>24,594</u>
Net increase in cash and cash equivalents	1,620,319	783,541
Cash and cash equivalents, October 1	3,903,450	3,119,909
Cash and cash equivalents, September 30	<u>\$ 5,523,769</u>	<u>\$ 3,903,450</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 940,531	\$ 921,857
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	2,052,140	2,020,839
Change in assets and liabilities:		
Decrease in inventories	5,604	16,177
Increase (decrease) in accounts payable	83,026	(48,200)
Net cash provided by operating activities	<u>\$ 3,081,301</u>	<u>\$ 2,910,673</u>

Noncash investing, capital, and financing activities:

During this past year, the Fleet Services Fund received assets with a net value of \$52,786 from the Governmental Activities.

CITY OF CARROLLTON, TEXAS

Risk Management Fund
 Comparative Statements of Net Position
 September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,592,871	\$ 4,235,900
Accrued interest receivable	7,842	4,422
Prepaid items	<u>118,000</u>	<u>141,000</u>
Total current assets	<u>4,718,713</u>	<u>4,381,322</u>
Noncurrent assets:		
Capital assets:		
Intangibles	70,400	70,400
Accumulated depreciation	<u>(70,400)</u>	<u>(70,400)</u>
Total capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>
Total assets	<u>4,718,713</u>	<u>4,381,322</u>
Liabilities		
Current liabilities:		
Accounts payable	154,182	103,131
Compensated absences	<u>-</u>	<u>1,116</u>
Total current liabilities	<u>154,182</u>	<u>104,247</u>
Noncurrent liabilities:		
Compensated absences	32,606	25,809
Long-term risk liability	<u>1,585,644</u>	<u>1,242,630</u>
Total noncurrent liabilities	<u>1,618,250</u>	<u>1,268,439</u>
Total liabilities	<u>1,772,432</u>	<u>1,372,686</u>
Net Position		
Unrestricted	<u>\$ 2,946,281</u>	<u>\$ 3,008,636</u>

CITY OF CARROLLTON, TEXAS

Risk Management Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	<u>\$ 2,091,401</u>	<u>\$ 1,991,809</u>
Operating expenses:		
Personal services	94,095	87,126
Supplies and services	1,983,886	828,487
Utilities	<u>342</u>	<u>357</u>
Total operating expenses	<u>2,078,323</u>	<u>915,970</u>
Income from operations	<u>13,078</u>	<u>1,075,839</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>29,965</u>	<u>31,007</u>
Income before transfers	43,043	1,106,846
Transfers out	<u>(105,398)</u>	<u>(101,259)</u>
Change in net position	(62,355)	1,005,587
Net position at beginning of year	<u>3,008,636</u>	<u>2,003,049</u>
Net position end of year	<u><u>\$ 2,946,281</u></u>	<u><u>\$ 3,008,636</u></u>

CITY OF CARROLLTON, TEXAS

Risk Management Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 2,091,401	\$ 1,991,809
Cash received from loss claim recoveries	174,989	288,686
Cash payments to suppliers for goods and services	(477,445)	(837,421)
Cash payments to employees for services	(81,303)	(78,850)
Cash payments for loss claims	(1,265,511)	(1,119,274)
Cash payments to other funds for services	(6,307)	(6,495)
Net cash provided by operating activities	<u>435,824</u>	<u>238,455</u>
Cash flow from noncapital financing activities:		
Transfers to other funds	<u>(105,398)</u>	<u>(101,259)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>26,545</u>	<u>31,989</u>
Net increase in cash and cash equivalents	356,971	169,185
Cash and cash equivalents, October 1	4,235,900	4,066,715
Cash and cash equivalents, September 30	<u>\$ 4,592,871</u>	<u>\$ 4,235,900</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 13,078	\$ 1,075,839
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Change in assets and liabilities:		
Decrease in prepaid items	23,000	28,000
Increase (decrease) in accounts payable	51,051	(80,773)
Increase in liability for compensated absences	5,681	1,317
Increase (decrease) in long-term risk liability	343,014	(785,928)
Net cash provided by operating activities	<u>\$ 435,824</u>	<u>\$ 238,455</u>

CITY OF CARROLLTON, TEXAS

Employee Health and Disability Fund
 Comparative Statements of Net Position
 September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,842,970	\$ 7,858,902
Receivables:		
Accrued interest	9,961	8,123
Other	119,668	184,056
Prepaid items	<u>7,367</u>	<u>7,367</u>
Total assets	<u>5,979,966</u>	<u>8,058,448</u>
Liabilities		
Current liabilities:		
Accounts payable	16,310	132,939
Estimated health claims payable	<u>1,038,000</u>	<u>1,102,000</u>
Total current liabilities	<u>1,054,310</u>	<u>1,234,939</u>
Noncurrent liabilities:		
Other post employment benefits obligation	<u>1,835,904</u>	<u>881,581</u>
Total liabilities	<u>2,890,214</u>	<u>2,116,520</u>
Net Position		
Unrestricted	<u>\$ 3,089,752</u>	<u>\$ 5,941,928</u>

CITY OF CARROLLTON, TEXAS

Employee Health and Disability Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Charges for services	<u>\$ 9,348,871</u>	<u>\$ 9,675,013</u>
Operating expenses:		
Supplies and services	<u>12,243,301</u>	<u>12,001,021</u>
Loss from operations	<u>(2,894,430)</u>	<u>(2,326,008)</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>42,254</u>	<u>67,196</u>
Change in net position	(2,852,176)	(2,258,812)
Net position at beginning of year	<u>5,941,928</u>	<u>8,200,740</u>
Net position at end of year	<u><u>\$ 3,089,752</u></u>	<u><u>\$ 5,941,928</u></u>

CITY OF CARROLLTON, TEXAS

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Employee Health and Disability Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from employees and retirees for services	\$ 1,553,739	\$ 1,571,466
Cash received from other funds for services	7,745,700	7,986,342
Cash received from loss claim recoveries and refunds	536,394	458,900
Cash payments to suppliers for goods and services	(2,101,773)	(1,860,604)
Cash payments for loss claims	(9,790,408)	(10,036,799)
Net cash used by operating activities	<u>(2,056,348)</u>	<u>(1,880,695)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>40,416</u>	<u>71,984</u>
Net decrease in cash and cash equivalents	(2,015,932)	(1,808,711)
Cash and cash equivalents, October 1	7,858,902	9,667,613
Cash and cash equivalents, September 30	<u>\$ 5,842,970</u>	<u>\$ 7,858,902</u>
Reconciliation of loss from operations to net cash used by operating activities:		
Loss from operations	\$ (2,894,430)	\$ (2,326,008)
Adjustments to reconcile loss from operations to net cash used by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in other receivables	64,388	(118,579)
Increase (decrease) in accounts payable	(116,629)	126,360
Decrease in estimated health claims payable	(64,000)	(3,000)
Increase in other post employment benefits obligation	954,323	440,532
Net cash used by operating activities	<u>\$ (2,056,348)</u>	<u>\$ (1,880,695)</u>

STATISTICAL SECTION (Unaudited)

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. It includes six categories of information:

Financial Trends (tables 1-4) – contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity (tables 5-9) – contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity (tables 10-14) – present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information (tables 15-16) – offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information (tables 17-19) – contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Additional Information (tables 20-21) – offers additional analysis regarding rapidly growing expenses or areas of financial concern that are of interest to the users of the financial statements.



CARROLLTON
T E X A S

CITY OF CARROLLTON, TEXAS
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

Table 1

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 265,892,337	\$ 262,540,649	\$ 246,698,527	\$ 235,176,768	\$ 225,506,964	\$ 221,475,325	\$ 220,454,089	\$ 224,428,585	\$ 229,578,674	\$ 236,475,739
Restricted	4,231,682	6,310,926	7,220,362	7,596,030	7,576,079	6,226,590	5,782,452	5,488,442	5,539,348	6,452,006
Unrestricted	51,386,262	59,247,124	71,439,989	80,721,318	87,936,900	88,198,609	93,366,902	95,744,744	108,636,055	115,146,522
Total governmental activities net position	\$ 321,510,281	\$ 328,098,699	\$ 325,358,878	\$ 323,494,116	\$ 321,019,943	\$ 315,900,524	\$ 319,603,443	\$ 325,661,771	\$ 343,754,077	\$ 358,074,267
Business-type activities										
Net investment in capital assets	\$ 104,864,091	\$ 118,852,171	\$ 126,180,912	\$ 123,390,813	\$ 120,772,181	\$ 117,350,938	\$ 116,211,135	\$ 119,325,732	\$ 117,734,922	\$ 114,890,769
Restricted	2,008,330	2,008,330	2,008,330	1,843,461	1,775,052	1,610,108	1,552,989	1,488,696	1,460,318	1,426,329
Unrestricted	33,069,417	27,417,189	25,643,386	26,487,259	29,942,097	30,259,557	29,389,768	22,994,428	23,051,098	24,004,120
Total business-type activities net position	\$ 139,941,838	\$ 148,277,690	\$ 153,832,628	\$ 151,721,533	\$ 152,489,330	\$ 149,220,603	\$ 147,153,892	\$ 143,808,856	\$ 142,246,338	\$ 140,321,218
Primary government										
Net investment in capital assets	\$ 370,756,428	\$ 381,392,820	\$ 372,879,439	\$ 358,567,581	\$ 346,279,145	\$ 338,826,263	\$ 336,665,224	\$ 343,754,317	\$ 347,313,596	\$ 351,366,508
Restricted	6,240,012	8,319,256	9,228,692	9,439,491	9,351,131	7,836,698	7,335,441	6,977,138	6,999,666	7,878,335
Unrestricted	84,455,679	86,664,313	97,083,375	107,208,577	117,878,997	118,458,166	122,756,670	118,739,172	131,687,153	139,150,642
Total primary government net position	\$ 461,452,119	\$ 476,376,389	\$ 479,191,506	\$ 475,215,649	\$ 473,509,273	\$ 465,121,127	\$ 466,757,335	\$ 469,470,627	\$ 486,000,415	\$ 498,395,485

Source: Comprehensive Annual Financial Reports

Notes: The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard. The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

CITY OF CARROLLTON, TEXAS
 CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

Table 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government and administration	\$ 13,939,593	\$ 15,375,056	\$ 16,135,585	\$ 15,023,107	\$ 14,538,522	\$ 14,144,028	\$ 14,683,787	\$ 15,613,314	\$ 16,606,809	\$ 15,894,255
Public safety	40,896,578	42,255,686	43,858,825	44,042,950	44,482,891	46,304,583	47,660,301	52,091,965	52,732,524	59,993,080
Development services	31,330,856	33,127,452	33,978,193	34,033,588	36,152,855	37,316,269	36,202,493	39,284,802	21,534,165	26,750,336
Cultural and recreational	13,687,354	13,867,945	14,145,686	14,068,566	13,362,124	13,967,919	14,111,727	14,319,443	14,677,561	15,487,148
Interest on long term debt	7,165,561	7,012,059	6,896,001	6,890,366	7,125,220	6,854,379	6,274,635	6,310,607	6,251,466	6,125,135
Total governmental activities expenses	107,019,942	111,638,198	115,014,290	114,058,577	115,661,612	118,587,178	118,932,943	127,620,131	111,802,525	124,249,954
Business-type activities:										
Water and sewer	30,388,835	31,392,450	33,301,699	32,850,745	33,605,016	35,005,112	35,451,627	36,268,921	35,091,342	38,169,394
Golf	1,368,013	1,060,389	1,034,373	948,906	868,431	1,084,413	825,711	406,286	1,354,149	1,770,254
Sanitation	4,276,378	5,010,413	6,548,312	6,669,493	5,277,104	5,414,802	5,559,233	5,813,267	6,000,423	7,396,452
Total business-type activities expenses	36,033,226	37,463,252	40,884,384	40,469,144	39,750,551	41,504,327	41,836,571	42,488,474	42,445,914	47,336,100
Total primary government expenses	143,053,168	149,101,450	155,898,674	154,527,721	155,412,163	160,091,505	160,769,514	170,108,605	154,248,439	171,586,054
Program Revenues										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	189,308	199,250	174,930	126,497	183,765	193,861	216,802	196,574	223,621	276,789
Public safety	6,264,188	5,728,799	5,896,060	6,630,295	7,058,605	8,335,917	9,632,597	10,818,681	11,344,328	10,225,750
Development services	1,336,503	2,091,549	1,151,686	1,159,367	1,150,299	1,450,556	1,939,146	2,856,299	2,147,052	2,642,431
Cultural and recreational	2,440,759	2,888,387	2,468,392	2,475,389	3,079,277	2,772,721	2,718,241	2,943,837	2,505,008	2,767,833
Operating grants and contributions	237,115	164,859	233,722	31,425	38,499	142,500	84,112	30,116	59,753	324,816
Capital grants and contributions	8,512,717	9,540,567	4,980,311	5,389,194	7,099,797	3,146,704	5,857,808	7,039,163	3,916,199	2,317,548
Total governmental activities program revenues	18,980,590	20,613,411	14,905,101	15,812,167	18,610,242	16,042,259	20,448,706	23,884,670	20,195,961	18,555,167
Business-type activities:										
Charges for services:										
Water and sewer	31,237,504	34,668,105	33,783,699	33,394,525	37,070,326	34,785,038	35,171,954	33,789,304	35,301,330	37,361,058
Golf	1,251,584	1,256,786	1,053,893	819,035	986,300	1,007,137	1,040,473	1,101,340	556,913	976,527
Sanitation	5,169,134	5,569,300	7,766,941	7,778,811	7,174,814	7,436,531	7,629,080	7,882,627	8,231,572	9,492,356
Operating grants and contributions	12,039,515	7,066,729	7,372,328	436,710	805,406	648,083	1,741,476	2,104,033	2,027,734	557,072
Capital grants and contributions	49,697,737	48,560,920	49,976,861	42,429,081	46,036,846	43,876,789	45,582,983	44,877,304	46,117,549	1,003,684
Total business-type activities program revenues	68,678,327	69,174,331	64,881,962	58,241,248	64,647,088	59,919,048	66,031,689	68,761,974	66,313,510	67,945,864

(continued)

CITY OF CARROLLTON, TEXAS
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

Table 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense) Revenue										
Governmental Activities	\$ (88,039,352)	\$ (91,024,787)	\$ (100,109,189)	\$ (98,246,410)	\$ (97,051,370)	\$ (102,544,919)	\$ (98,484,237)	\$ (103,735,461)	\$ (91,606,564)	\$ (105,694,787)
Business-type Activities	13,664,511	11,097,668	9,092,477	1,959,937	6,286,295	2,372,462	3,746,412	2,388,830	3,671,635	2,054,597
Total Primary government net expense	(74,374,841)	(79,927,119)	(91,016,712)	(96,286,473)	(90,765,075)	(100,172,457)	(94,737,825)	(101,346,631)	(87,934,929)	(103,640,190)
General Revenues										
and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Ad valorem	53,071,901	55,010,097	58,108,302	56,530,661	54,751,313	55,176,665	55,859,536	58,744,957	61,990,961	66,690,804
Sales	22,130,589	21,592,235	21,185,318	20,103,257	21,564,480	24,020,903	25,446,798	27,708,160	31,238,022	34,512,467
Occupancy	125,977	129,836	131,139	168,725	195,870	176,826	156,061	181,025	210,835	243,946
Franchise Fees	9,696,472	10,054,141	9,954,417	9,653,252	10,607,534	10,286,074	10,556,411	12,023,980	11,768,644	11,778,705
Investment earnings net of change in fair value of investments	7,423,423	5,549,105	3,015,900	1,002,342	627,029	649,158	41,353	718,161	1,202,294	1,280,470
Gain on sale of capital assets	-	76,959	-	364,151	270,089	121,337	120,011	230,961	1,306,445	123,312
Public-private partnership recovery	-	-	-	-	-	-	3,160,500	3,013,646	-	-
Miscellaneous	772,789	999,478	644,197	664,755	843,382	1,104,285	882,757	1,008,224	793,144	977,691
Special item	-	-	-	3,612,167	-	-	-	-	-	-
Transfers	4,310,179	4,201,354	4,330,095	4,282,338	5,717,500	5,890,252	5,963,729	6,164,675	5,475,266	4,407,582
Total Governmental Activities	97,531,330	97,613,205	97,369,368	96,381,648	94,577,197	97,423,500	102,187,156	109,793,789	113,985,611	120,014,977
Business-type Activities:										
Investment earnings net of change in fair value of investments	2,343,421	1,332,052	746,496	180,815	116,423	148,177	(11,503)	162,754	206,134	186,142
Gain on sale of capital assets	48,013	35,370	600	5,902	6,578	13,037	62,393	108,520	35,012	37,256
Miscellaneous	160,637	72,116	45,460	24,589	76,001	87,849	99,716	159,535	174,697	204,467
Transfers	(4,310,179)	(4,201,354)	(4,330,095)	(4,282,338)	(5,717,500)	(5,890,252)	(5,963,729)	(6,164,675)	(5,475,266)	(4,407,582)
Total Business-type Activities	(1,758,108)	(2,761,816)	(3,537,539)	(4,071,032)	(5,518,498)	(5,641,189)	(5,813,123)	(5,733,866)	(5,059,423)	(3,979,717)
Total Primary Government	95,773,222	94,851,389	93,831,829	92,310,616	89,058,699	91,784,311	96,374,033	104,059,923	108,926,188	116,035,260
Change in Net Position										
Governmental Activities	9,491,978	6,588,418	(2,739,821)	(1,864,762)	(2,474,173)	(5,119,419)	3,702,919	6,058,328	22,379,047	14,320,190
Business-type Activities	11,906,403	8,335,852	5,554,938	(2,111,095)	767,797	(3,268,727)	(2,066,711)	(3,345,036)	(1,387,788)	(1,925,120)
Total Primary Government	\$ 21,398,381	\$ 14,924,270	\$ 2,815,117	\$ (3,975,857)	\$ (1,706,376)	\$ (8,388,146)	\$ 1,636,208	\$ 2,713,292	\$ 20,991,259	\$ 12,395,070

Source: Comprehensive Annual Financial Reports

Notes: The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard. The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

CITY OF CARROLLTON, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved for other	\$ 395,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable for prepaid item	-	-	-	-	-	-	-	-	145,345	-
Assigned to purchases on order	-	538,392	199,700	245,183	323,650	288,384	248,282	166,593	331,730	213,086
Unreserved/Unassigned	21,413,757	17,162,958	17,012,045	16,508,349	16,247,394	18,051,247	18,145,105	20,637,631	18,608,933	21,341,930
Total general fund	\$ 21,809,245	\$ 17,701,350	\$ 17,211,745	\$ 16,753,532	\$ 16,571,044	\$ 18,339,631	\$ 18,393,387	\$ 20,804,224	\$ 19,086,008	\$ 21,555,016
All Other Governmental Funds										
Reserved for:										
Debt service	\$ 4,803,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	2,202,208	-	-	-	-	-	-	-	-	-
Capital projects funds	83,173,482	-	-	-	-	-	-	-	-	-
Nonspendable for:										
Prepaid items	-	-	-	-	-	-	421,950	51,584	739,994	-
Restricted for:										
Debt service	-	4,542,598	5,346,863	5,864,803	5,378,826	5,256,955	4,986,970	4,785,315	4,297,818	4,691,760
Streets and drainage	-	23,949,626	16,983,609	13,907,997	13,584,454	2,339,776	7,039,695	14,147,187	11,224,037	5,196,877
Public facilities	-	2,318,945	5,300,113	3,060,169	4,636,293	3,344,490	1,797,929	5,261,597	8,903,016	6,607,230
Other capital projects	-	3,081,205	4,579,418	3,498,355	5,785,095	2,041,830	769,916	2,698,419	1,691,992	1,660,411
Other purposes	-	2,088,832	2,157,548	1,935,559	1,888,906	1,354,452	1,242,218	1,269,055	1,515,400	1,825,818
Committed to:										
Transit oriented development	-	1,436,097	7,893,486	8,966,511	8,380,396	-	3,677,459	-	-	-
Street rehabilitation	-	567,431	3,805,872	6,971,443	7,968,067	8,606,244	9,995,506	14,546,936	17,497,861	20,249,854
Other capital projects	-	7,195,910	2,852,826	3,657,818	1,137,230	777,632	748,664	1,030,872	2,169,019	4,026,554
Assigned to:										
Streets and drainage	-	9,183,068	12,372,934	12,786,911	18,807,606	19,415,710	13,745,553	18,646,548	20,915,762	23,188,407
Public facilities	-	8,728,409	12,847,706	19,149,990	19,270,179	26,496,498	32,601,027	29,433,092	36,456,726	38,049,489
Other capital projects	-	8,315,949	8,738,617	6,118,770	8,716,872	8,422,646	7,808,482	9,848,273	11,734,537	12,782,783
Other purposes	-	63,667	64,390	76,830	289,167	254,279	172,506	356,731	382,462	447,335
Total all other governmental funds	\$ 90,179,112	\$ 71,471,737	\$ 82,943,382	\$ 85,995,156	\$ 95,843,091	\$ 78,310,512	\$ 85,007,875	\$ 102,075,609	\$ 117,528,624	\$ 118,726,518

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2009. Fiscal year 2008 amounts restated to conform to the new statement requirements.

CITY OF CARROLLTON, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (Unaudited)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES:										
Taxes:										
Ad valorem	\$ 52,704,099	\$ 55,362,329	\$ 57,668,780	\$ 56,119,101	\$ 54,363,724	\$ 54,824,842	\$ 55,615,260	\$ 58,347,979	\$ 61,676,895	\$ 66,398,279
Penalty and interest	435,052	432,753	439,522	411,560	387,589	351,823	244,276	396,978	314,066	292,525
Sales	22,130,589	21,592,235	21,185,318	20,103,257	21,564,480	24,020,903	25,446,798	27,708,160	31,238,022	34,512,467
Occupancy tax	125,977	129,836	131,139	168,725	195,870	176,826	156,061	181,025	210,835	243,946
Franchise fees	9,696,472	10,054,141	9,954,417	13,265,419	10,607,534	10,286,074	10,556,411	12,023,980	11,778,644	11,778,705
Assessments	93,619	1,418,241	39,948	258,708	129,960	43,290	173,671	386,810	264,430	332,882
Charges for services	4,135,429	4,328,669	4,039,662	3,838,328	4,406,615	4,727,224	5,185,010	5,639,116	5,670,254	6,110,532
Intergovernmental	1,566,070	3,989,680	6,446,118	2,539,732	6,150,732	1,456,028	3,784,017	3,227,526	1,493,099	1,844,504
Licenses and permits	1,590,778	1,981,533	1,715,378	1,688,628	1,990,338	1,975,677	2,345,502	3,003,123	2,805,727	3,073,660
Fines and forfeitures	4,410,933	3,997,542	3,896,080	4,605,883	4,945,033	6,006,864	6,802,603	7,786,343	7,479,597	6,395,729
Investment earnings net of change in fair value of investments	6,556,374	4,880,711	2,535,111	859,941	543,769	553,107	48,699	621,710	1,080,213	1,175,370
Public-private partnership recovery	-	-	644,197	664,755	843,382	1,104,285	1,896,300	4,264,200	-	-
Miscellaneous	772,789	109,167,148	108,695,670	104,524,059	106,129,026	105,526,943	882,757	1,021,870	793,144	977,691
Total Revenues	104,218,181	109,167,148	108,695,670	104,524,059	106,129,026	105,526,943	113,137,365	124,608,820	124,794,926	133,136,290
EXPENDITURES:										
General government and administration	12,816,582	14,261,687	14,498,301	13,427,628	13,234,778	12,894,095	13,818,786	14,233,668	14,249,773	14,014,017
Public safety	39,236,183	42,407,391	42,739,671	42,419,993	43,015,217	43,629,488	45,468,794	48,805,629	50,460,748	52,904,040
Development services	9,998,543	10,703,823	10,692,011	10,015,918	9,381,002	9,422,970	9,245,445	9,357,484	9,979,839	10,913,353
Cultural and recreational	11,519,215	12,022,216	11,859,216	11,033,972	10,593,872	10,606,136	11,173,466	11,192,930	11,487,238	11,925,191
Capital outlay	29,832,546	40,963,371	32,870,512	27,758,257	23,025,597	31,099,960	24,185,644	32,113,446	29,891,737	44,075,358
Debt Service:										
Principal retirement	10,385,000	9,365,000	23,360,000 (a)	10,950,000	12,110,000	12,730,000	12,250,000	13,020,000	13,885,000	13,980,000
Interest and fiscal charges	7,363,095	7,083,248	6,961,821	7,019,015	7,321,573	6,967,800	6,619,954	6,489,618	6,839,976	6,727,253
Total expenditures	121,151,164	136,806,736	142,981,532	122,624,783	118,682,039	127,350,449	122,762,089	135,212,775	136,794,311	154,539,212
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(16,932,983)	(27,639,588)	(34,285,862)	(18,100,724)	(12,553,013)	(21,823,506)	(9,624,724)	(10,603,955)	(11,999,385)	(21,402,922)
OTHER FINANCING SOURCES (USES):										
Bonds issued	20,685,000	-	26,750,000	15,600,000	15,000,000	-	9,465,000	20,485,000	17,420,000	17,680,000
Refunding bonds issued	-	-	12,105,000	11,815,000	-	20,100,000	-	-	26,660,000	11,435,000
Premium on bonds issued	49,496	-	1,879,670	939,055	278,534	2,432,844	530,902	677,905	4,910,134	4,702,702
Payment to refunded bond escrow agent	-	-	-	(12,465,963)	-	(22,317,933)	-	-	(29,919,123)	(13,532,110)
Sale of capital assets	13,298	32,744	22,364	29,382	809,107	-	-	2,318,824	1,367,838	36,838
Transfers in	12,419,808	10,830,871	13,139,525	14,733,069	11,282,205	15,699,983	20,190,224	18,906,036	21,848,581	20,456,457
Transfers out	(8,158,438)	(6,039,297)	(8,628,657)	(9,956,258)	(5,151,386)	(9,855,380)	(13,810,283)	(12,305,239)	(16,553,246)	(15,709,063)
Total Other Financing Sources (Uses)	25,009,164	4,824,318	45,267,902	20,694,285	22,218,460	6,059,514	16,375,843	30,082,526	25,734,184	25,069,824
NET CHANGE IN FUND BALANCES	\$ 8,076,181	\$ (22,815,270)	\$ 10,982,040	\$ 2,593,561	\$ 9,665,447	\$ (15,763,992)	\$ 6,751,119	\$ 19,478,571	\$ 13,734,799	\$ 3,666,902
Debt service as a percentage of noncapital expenditures	18.4%	16.5%	26.5% (a)	18.0%	19.0%	19.1%	18.1%	16.7%	18.1%	17.3%

Notes:
 For years 1999 through 2003, municipal court expenditures were classified as general government and administration. For all other years, municipal court expenditures were classified as public safety.
 (a) Increase in debt service as a percentage of noncapital expenditures in fiscal year 2009 was due to a current refunding of debt financed by the issuance of refunding bonds. Only advance refundings are recorded as an "other use".

Source: Comprehensive Annual Financial Reports

CITY OF CARROLLTON, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Table 5

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2007	\$ 8,532,425,920	\$ 1,795,577,860	\$ 1,836,207,690	\$ 8,491,796,090	0.632875
2008	9,243,403,930	2,196,465,400	2,148,811,515	9,291,057,815	0.617875
2009	9,264,171,749	2,219,855,876	2,397,595,637	9,086,431,988	0.617875
2010	9,460,998,783	2,083,632,510	2,341,230,868	9,203,400,425	0.617875
2011	9,225,686,522	1,934,190,861	2,253,208,722	8,906,668,661	0.617875
2012	9,196,797,992	1,983,032,088	2,282,481,097	8,897,348,983	0.617875
2013	9,256,778,500	2,198,511,234	2,356,490,067	9,098,799,667	0.617875
2014	9,587,444,722	2,360,645,202	2,391,446,979	9,556,642,945	0.617875
2015	10,379,894,481	2,423,039,399	2,522,339,809	10,280,594,071	0.615375
2016	11,222,038,729	2,553,129,415	2,689,149,080	11,086,019,064	0.612875

Source: City of Carrollton Budget Document

Note: Total Taxable Assessed Value represents original certified taxable value. This does not include valuation of protested property at certification date.

CITY OF CARROLLTON, TEXAS
ESTIMATED NET TAXABLE VALUE AT BUDGET ADOPTION
 Current Year and Ten Years Ago
 (Unaudited)

Table 6

	Fiscal Year 2016		Fiscal Year 2007		Ten
		Percentage		Percentage	Year
		of Total		of Total	Change
		Market Value		Market Value	
Market value:					
Certified Values:					
Real property:					
Land	\$ 3,081,473,105	22.30%	\$ 2,384,469,670	22.68%	29.23%
Improvements	8,140,565,624	58.90%	6,147,956,250	58.48%	32.41%
Business personal property	2,553,129,415	18.47%	1,795,577,860	17.08%	42.19%
Property Under Protest	45,444,297	0.33%	185,402,484	1.76%	-75.49%
Total Market value	13,820,612,441	100.00%	10,513,406,264	100.00%	31.46%
Less property exemptions/reductions:					
Single Family Residential:					
Homestead	982,703,782	7.11%	786,026,089	7.48%	25.02%
Over 65	369,937,476	2.68%	201,131,806	1.91%	83.93%
Disabled	19,945,067	0.14%	17,594,055	0.17%	13.36%
Disabled veterans	14,846,220	0.11%	2,463,896	0.02%	502.55%
Capped value	63,519,860	0.46%	8,006,619	0.08%	693.34%
Total Single Family Residential	1,450,952,405	10.50%	1,015,222,465	9.66%	42.92%
Commercial:					
Agricultural	54,717,844	0.40%	66,818,375	0.64%	-18.11%
Freepport	409,831,029	2.97%	313,952,908	2.99%	30.54%
Abatements/Tax grants	247,577,412	1.79%	216,277,386	2.06%	14.47%
Low income housing	10,571,794	0.08%	-	0.00%	100.00%
Other exemptions	530,776	0.00%	148,372	0.00%	257.73%
TIF Incremental Value	38,054,354	0.28%	-	0.00%	
Total Commercial	761,283,209	5.52%	597,197,041	5.69%	27.48%
Totally exempt*	762,545,232	5.52%	440,065,570	4.19%	73.28%
Total property exemptions/reductions	2,974,780,846	21.54%	2,052,485,076	19.54%	44.94%
Estimated Net Taxable Value	\$ 10,845,831,595	78.46%	\$ 8,460,921,188	80.46%	28.19%

Source: Annual Budget Document and Dallas, Denton, and Collin Central Appraisal Districts

Note: In these estimated values, the original certified value as shown on Table 5 is increased by the estimated value of properties under protest and reduced by the estimated value of tax grants and TIF incremental value.

* Total exempt properties include properties owned by federal, state and local governmental entities and by educational, religious and not-for-profits organizations qualifying under the IRS code.

CITY OF CARROLLTON, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)
 Last Ten Fiscal Years
 (Unaudited)

Table 7

Fiscal Year	City Direct Rates				Overlapping Rates														
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Farmers Branch Independent School District	Dallas		Lewisville		Coppell		Plano		Dallas		Collin		Denton		Valwood Improvement Authority ^c
					Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	
2007	\$ 0.434015	\$ 0.198860	\$ 0.632875	\$ 1.683000	\$ 1.502640	\$ 1.640000	\$ 1.599000	\$ 1.578400	\$ 0.553934	\$ 0.332683	\$ 0.231920	\$ 0.342500							
2008	0.439146	0.178729	0.617875	1.367000	1.199643	1.370000	1.269000	1.268400	0.567214	0.331984	0.235890	0.322500							
2009	0.432069	0.185806	0.617875	1.362300	1.183402	1.380000	1.279000	1.303400	0.576428	0.328993	0.235770	0.312500							
2010	0.415694	0.202181	0.617875	1.342200	1.271343	1.408700	1.283400	1.328400	0.602212	0.328800	0.249800	0.307500							
2011	0.406241	0.211634	0.617875	1.346900	1.237811	1.426700	1.424200	1.353400	0.623330	0.326300	0.273900	0.307500							
2012	0.398528	0.219347	0.617875	1.356800	1.290347	1.426000	1.424200	1.373400	0.623770	0.326300	0.277357	0.307500							
2013	0.411887	0.205988	0.617875	1.330600	1.290347	1.453000	1.418800	1.373400	0.643412	0.326299	0.282867	0.307500							
2014	0.414447	0.203428	0.617875	1.323500	1.282085	1.477000	1.432400	1.453000	0.653800	0.321143	0.284914	0.290000							
2015	0.417389	0.197986	0.615375	1.303300	1.282085	1.477000	1.449000	1.439000	0.663875	0.316900	0.272200	0.270000							
2016	0.420043	0.192832	0.612875	1.281700	1.282085	1.476730	1.439000	1.439000	0.662750	0.306960	0.262000	0.270000							

Source: City of Carrollton Budget Office, Lewisville Independent School District, Dallas Central Appraisal District, Plano Independent School District, Denton County

Note:

^aDallas County includes Dallas County, Dallas County Hospital District and Dallas County Community College District.

^bCollin County includes Collin County and Collin County Community College District.

^cA typical property tax bill would consist of the City, School District and County taxes. Valwood Improvement Authority is a flood reclamation district serving commercial property only in the southwest corner of the City.

CITY OF CARROLLTON, TEXAS
PRINCIPAL PROPERTY TAXPAYERS

Table 8

Current Year and Ten Years Ago
(Unaudited)

	Fiscal Year 2016			Fiscal Year 2007		
	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Bella Vida Gardens Associates LLC	\$ 64,745,650	0.58%	STMicroelectronics, Inc.	\$ 116,043,536	1.37%	
Mansions at Sunset Ridge Partners LP	59,002,522	0.53%	AT&T/Southwestern Bell/Cingular	100,729,250	1.19%	
JPMorgan Chase Bank NA	55,260,080	0.50%	Texas Utilities	70,142,370	0.83%	
Halliburton Energy Services	54,900,034	0.50%	Bella Vida Gardens	65,880,310	0.78%	
Cyrus One LLC	50,000,000	0.45%	CB Parkway Business	59,293,900	0.70%	
Ari-International Business Park	49,354,520	0.45%	Verizon/GTE	58,084,090	0.68%	
BH Autumn Chase Apartments LP	44,693,297	0.40%	Texas Dugan LTD PS	52,436,680	0.62%	
Meridian Apartments	44,600,000	0.40%	Halliburton Co. Inc.	41,306,728	0.49%	
Texas Dugan Ltd.	44,332,512	0.40%	Research in Motion Corp.	30,387,558	0.36%	
Frankel, Edward B MD TR	43,675,923	0.39%	Ingram Micro Texas LP	20,079,438	0.24%	
Total Assessed Value of Top-ten Taxpayers:			Total Assessed Value of Top-ten Taxpayers:			
510,564,538			614,383,860			
Total Assessed Value of Other Taxpayers:			Total Assessed Value of Other Taxpayers:			
10,575,454,526			7,877,412,230			
Total Assessed Value: \$ 11,086,019,064			Total Assessed Value: \$ 8,491,796,090			

Source: Dallas County Tax Office and Denton County Tax Office

CITY OF CARROLLTON, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(Unaudited)

Table 9

Fiscal Year	Taxes Budgeted Within the Fiscal Year of the Levy		Taxes Levied Within the Fiscal Year of the Levy		Adjustments to Levy in Subsequent Years		Adjusted Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections	
	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2007	\$ 52,743,849		\$ 54,402,141	99.41%	\$ (327,551)	99.41%	\$ 54,074,590	99.41%	\$ 53,754,419	99.41%	\$ 256,485	99.88%	\$ 54,010,904	99.88%
2008	55,768,584		57,024,631	99.25%	(218,833)	99.25%	56,805,798	99.25%	56,377,227	99.25%	340,896	99.85%	56,718,123	99.85%
2009	56,983,591		58,797,682	99.14%	(434,252)	99.14%	58,363,430	99.14%	57,863,664	99.14%	448,629	99.91%	58,312,293	99.91%
2010	55,564,918		57,160,657	99.45%	(274,747)	99.45%	56,885,910	99.45%	56,570,727	99.45%	250,234	99.89%	56,820,961	99.89%
2011	53,709,922		55,477,092	99.24%	(119,249)	99.24%	55,357,843	99.24%	54,937,434	99.24%	379,700	99.93%	55,317,134	99.93%
2012	53,668,670		55,502,447	99.29%	17,505	99.29%	55,519,952	99.29%	55,128,245	99.29%	248,616	99.74%	55,376,861	99.74%
2013	54,782,788		56,407,488	99.26%	25,821	99.26%	56,433,309	99.26%	56,013,200	99.26%	279,897	99.75%	56,293,097	99.75%
2014	57,132,835		59,049,086	99.68%	(109,463)	99.68%	58,939,623	99.68%	58,752,099	99.68%	80,008	99.82%	58,832,107	99.82%
2015	61,028,968		62,839,506	99.60%	(84,971)	99.60%	62,754,535	99.60%	62,505,443	99.60%	58,264	99.70%	62,563,707	99.70%
2016	65,141,963		68,039,266	99.49%	-	99.49%	68,039,266	99.49%	67,692,625	99.49%	-	99.49%	67,692,625	99.49%

Source: Dallas Central Appraisal District and Dallas County Tax Office
Denton Central Appraisal District and Denton County Tax Office

CITY OF CARROLLTON, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years
 (Unaudited)

Table 10

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds		Certificates of Obligation		Water and Sewer Revenue Bonds		Certificates of Obligation				
	Par	Premium	Par	Premium	Par	Premium	Par	Premium			
2007	\$ 154,940,000	\$ 3,950,680	\$ 1,645,000	\$ 12,144	\$ 28,670,000	\$ 247,532	\$ 3,040,000	\$ 192,505,356	5.47%	1,602	
2008	145,960,000	3,665,288	1,260,000	9,010	26,875,000	230,778	2,810,000	180,810,076	5.17%	1,500	
2009	161,860,000	5,217,251	855,000	5,876	25,085,000	214,024	2,570,000	195,807,151	5.04%	1,619	
2010	167,165,000	5,777,298	435,000	2,742	23,235,000	197,272	2,315,000	199,127,312	5.63%	1,672	
2011	170,490,000	5,765,438	-	-	21,305,000	180,518	2,040,000	199,780,956	5.41%	1,674	
2012	157,100,000	6,949,299	-	-	18,795,000	1,050,967	1,750,000	185,645,266	5.03%	1,532	
2013	154,315,000	6,890,494	-	-	17,115,000	950,717	1,440,000	180,711,211	4.63%	1,478	
2014	161,780,000	6,948,244	-	-	15,400,000	851,597	-	184,979,841	4.78%	1,487	
2015	162,600,000	10,058,724	-	-	14,185,000	752,477	-	187,596,201	4.51%	1,498	
2016	165,015,000	13,939,418	-	-	12,925,000	653,357	-	192,532,775	4.66%	1,504	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^aSee Table 15 for personal income and population data.

CITY OF CARROLLTON, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
(Unaudited)

Table 11

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Less:		Net General Bonded Debt	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
				Amounts Available in Debt Service Fund				
2007	\$ 158,890,680	\$ 4,697,144	\$ 163,587,824	\$ 4,803,422	\$ 158,784,402	1.87%	1,322	
2008	149,625,288	4,079,010	153,704,298	4,542,598	149,161,700	1.61%	1,237	
2009	167,077,251	3,430,876	170,508,127	5,346,863	165,161,264	1.82%	1,366	
2010	172,942,298	2,752,742	175,695,040	5,864,803	169,830,237	1.85%	1,426	
2011	176,255,438	2,040,000	178,295,438	5,378,826	172,916,612	1.94%	1,449	
2012	164,049,299	1,750,000	165,799,299	5,256,955	160,542,344	1.80%	1,325	
2013	161,205,494	1,440,000	162,645,494	4,986,970	157,658,524	1.73%	1,289	
2014	168,728,244	-	168,728,244	4,785,315	163,942,929	1.72%	1,318	
2015	172,658,724	-	172,658,724	4,297,818	168,360,906	1.64%	1,344	
2016	178,954,418	-	178,954,418	4,691,760	174,262,658	1.57%	1,362	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

^aSee Table 5 for property value data.

^bSee Table 15 for population data.

CITY OF CARROLLTON, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Table 12

Current Year
(Unaudited)

<u>Governmental Unit</u>	<u>Debt</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Carrollton-Farmers Branch Independent School District	\$ 244,625,000	36.92%	\$ 90,315,550
Collin County	395,590,000	0.05%	197,795
Collin County Community College	16,910,000	0.05%	8,455
Coppell Independent School District	288,134,166	0.04%	115,254
Dallas County	227,980,000	2.66%	6,064,268
Dallas County Community College District	294,050,000	2.66%	7,821,730
Dallas County Hospital District	718,480,000	2.66%	19,111,568
Dallas County Schools	50,405,000	2.66%	1,340,773
Dallas Independent School District	3,013,520,000	0.97%	29,231,144
Denton County	608,895,000	8.68%	52,852,086
Lewisville Independent School District	1,086,640,601	14.13%	153,542,317
Plano Independent School District	1,000,470,000	0.14%	1,400,658
Valwood Improvement Authority	15,032,760	55.32%	8,316,123
Subtotal, overlapping debt			<u>370,317,721</u>
City of Carrollton (direct debt)	178,954,418	100.00%	<u>178,954,418</u>
Total direct and overlapping debt			<u><u>\$ 549,272,139</u></u>

^aThe percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is with the City's boundaries and dividing by the entities' total taxable assessed value.

Source: City of Carrollton Treasury Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Carrollton. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residential and commercial taxpayer should be taken into account. However, this does not imply that every Carrollton taxpayer is a property owner and therefore responsible for repaying the debt of any particular overlapping government.

CITY OF CARROLLTON, TEXAS
PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years
 (Unaudited)

Table 13

Fiscal Year	Total Revenues ^a	Waterworks and Sewer System Revenue Bonds				Times Coverage
		Less: Operating Expenses ^b	Net Available Revenue		Average Annual Requirement	
			Operating Expenses ^b	Revenue		
2007	\$ 33,689,946	\$ 26,774,927	\$ 6,915,019	\$ 2,008,330	3.44	
2008	36,108,584	26,944,583	9,164,001	1,958,624	4.68	
2009	34,546,031	28,247,702	6,298,329	1,903,950	3.31	
2010	33,585,356	27,261,441	6,323,915	1,843,461	3.43	
2011	37,264,408	28,195,996	9,068,412	1,775,052	5.11	
2012	35,011,924	29,623,511	5,388,413	1,609,769	3.35	
2013	35,256,384	30,439,911	4,816,473	1,552,989	3.10	
2014	34,102,074	31,036,497	3,065,577	1,488,696	2.06	
2015	35,668,929	30,912,620	4,756,309	1,460,318	3.26	
2016	37,738,309	33,738,639	3,999,670	1,426,329	2.80	

Bond covenants require a revenue coverage of 1.25 times the average annual debt service.

Notes: ^aIncludes operating revenues (charges for services and miscellaneous income), investment income, and transfers in of the Water and Sewer Fund

^bIncludes operating expenses minus depreciation plus transfers out of the Water and Sewer Fund.

Source: Comprehensive Annual Financial Report

CITY OF CARROLLTON, TEXAS
DIRECT AND CONTRACTUALLY OBLIGATED - PROPERTY TAX AND REVENUE DEBT

Table 14

Last Six Fiscal Years
(Unaudited)

	2016	2015	2014	2013	2012	2011
City of Carrollton - direct debt:						
Paid with property taxes	\$ 178,954,418	\$ 172,658,724	\$ 168,728,244	\$ 161,205,494	\$ 164,049,299	\$ 176,255,438
Paid with dedicated revenues:						
Water and sewer revenues	13,578,357	14,937,477	16,251,597	18,065,717	19,845,967	21,485,518
Golf course revenues	-	-	-	1,440,000	1,750,000	2,040,000
Other Entities - contractually obligated to be paid with water and sewer revenues:						
Dallas Water Utilities (DWU) ⁽¹⁾	49,555,981	46,929,690	47,418,861	44,287,472	49,046,973	48,870,615
Trinity River Authority - Central Regional Wastewater System (CRWS) ⁽²⁾	68,478,128	74,529,252	82,934,044	76,365,739	69,000,149	58,542,349
Total direct and contractually obligated debt	\$ 310,566,884	\$ 309,055,143	\$ 315,332,746	\$ 301,364,422	\$ 303,692,388	\$ 307,193,920
Carrollton Debt %	62.0%	60.7%	58.7%	60.0%	61.1%	65.0%
Other Entities Debt %	38.0%	39.3%	41.3%	40.0%	38.9%	35.0%

(1) Carrollton has a "take or pay" contract to purchase potable water on a wholesale basis. Overlapping debt is calculated based on Carrollton's Rate of Flow setting as a percent of all wholesale customers applied to total outstanding DWU debt multiplied by the percentage of the DWU system applicable to wholesale customer activities. Debt numbers are taken from the DWU Wholesale Rate Study.

(2) Carrollton has a contractual obligation to pay its pro rata share of all operating and debt related expenses based on its percentage of flows to the CRWS. Overlapping debt is calculated based on the City's percentage of flows to CRWS. TRA is a November 30th year end.

CITY OF CARROLLTON, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS

Table 15

Last Ten Calendar Years
(Unaudited)

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2007	120,153	\$ 3,517,359	\$ 29,274	32.9	21,666	3.9%
2008	120,553	3,499,412	29,028	34.1	21,891	4.9%
2009	120,949	3,888,631	32,151	34.8	21,082	7.9%
2010	119,097	3,539,801	29,722	34.7	21,415	7.0%
2011	119,370	3,691,279	30,923	35.7	21,508	7.3%
2012	121,150	3,691,198	30,468	36.3	21,101	5.6%
2013	122,280	3,902,811	31,917	36.0	21,276	5.6%
2014	124,400	3,871,950	31,125	36.8	21,082	4.7%
2015	125,250	4,159,678	33,211	35.9	21,158	3.4%
2016	127,980	4,130,299	32,273	36.9	20,058	3.7%

Sources: Estimated population provided by the North Central Texas Council of Governments. US Census population used in census years. Per capita income and median age provided by US Census Bureau's American Community Survey. School enrollment (for schools located in Carrollton) provided by Carrollton/Farmers Branch ISD and Lewisville ISD. Beginning in 2006, school enrollment figures for Lewisville ISD include only students living in Carrollton zip codes. Unemployment rates provided on the Texas Workforce Commission website.

CITY OF CARROLLTON, TEXAS
PRINCIPAL EMPLOYERS,

Current Year and Ten Years Ago
(Unaudited)

Table 16

	2016		2007		
	<u>Employer</u>	<u>Employees</u> <u>Percentage</u> <u>of Total City</u> <u>Employment</u>	<u>Employer</u>	<u>Employees</u> <u>Percentage</u> <u>of Total City</u> <u>Employment</u>	
Halliburton Energy Services	1,300	1.71%	ST Microelectronics Semiconductors	1,363	1.88%
Thomson Reuters	1,000	1.31%	Halliburton Energy Services	1,250	1.73%
McKesson Corporation	999	1.31%	McKesson Corporation	1,000	1.38%
ACCOR Hospitality	727	0.95%	Trinity Medical Center	725	1.00%
General Aluminum Corporation	700	0.92%	General Aluminum Corporation	600	0.83%
Western Extrusions Corporation	600	0.79%	PCR	600	0.83%
Baylor Medical Center	565	0.74%	Western Extrusions Corporation	600	0.83%
Brandt	550	0.72%	ACCOR North America	500	0.69%
Realpage	500	0.66%	Home Interiors & Gifts	500	0.69%
Rudy's Tortillas	500	0.66%	Realpage	500	0.69%
Total	<u>7,441</u>	<u>9.77%</u>		<u>7,638</u>	<u>10.55%</u>

Source: North Central Texas Council of Governments (2016), Texas Workforce Commission (2007)

Note: Listing includes only private sector employers.

CITY OF CARROLLTON, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Table 17

Last Ten Fiscal Years
(Unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government and Administration	86.5	85.2	85.2	85.0	79.8	74.9	75.9	82.9	86.0	86.1
Public Safety	424.5	431.5	431.5	425.0	420.0	425.8	439.3	451.1	451.6	457.1
Development Services	117.8	120.0	120.0	116.0	111.5	109.2	108.7	108.0	112.0	113.0
Culture and Recreational	136.0	135.3	135.3	133.0	122.0	117.7	118.0	116.3	118.3	115.8
Water and Sewer	50.0	50.0	51.0	51.0	51.0	51.0	51.0	52.0	52.0	52.0
Fleet Services	14.0	14.0	14.0	14.0	-	0.5	0.5	0.5	0.5	0.5
Risk Management	4.0	2.5	2.5	2.5	2.5	1.0	1.0	1.0	1.0	1.0
Capital Projects and Special Revenue	4.0	5.0	4.5	7.0	7.5	6.5	7.0	6.0	6.0	6.0
Total	836.8	843.5	844.0	833.5	794.3	786.6	801.4	817.8	827.4	831.5

Source: City Budget Office

CITY OF CARROLLTON, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 (Unaudited)

Table 18

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Development Services										
Street Resurfacing (miles)	7	2	0	3	3	2	4	4	1	5
Cultural and Recreational Parks and Recreation										
Participants in Leisure Service Programs ^(a)	10,070	9,714	16,950	25,045	42,904	46,512	65,459	65,187	61,656	36,024
Participants in Athletic Programs	141,684	74,429	76,478	90,034	87,610	88,114	82,988	83,713	79,775	78,216
Library										
Volumes in Collection	249,020	232,039	224,483	200,506	183,333	188,314	188,182	190,691	193,004	193,453
Water and Sewer										
Number of Water Consumers	34,545	34,878	34,825	33,915	35,802	34,971	35,710	36,055	38,975	36,841
Average Daily Water Consumption (gallons)	19,229,000	22,460,000	21,076,000	24,994,000	22,888,000	20,800,000	20,171,000	18,890,000	19,548,000	19,524,000
Maximum Storage Capacity (gallons)	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000
Unaccounted for Water	5.69%	7.73%	6.77%	6.36%	4.23%	6.77%	4.48%	3.88%	5.37%	7.17%
Sanitation (residential)										
Refuse Collected (tons)	28,772	28,051	26,024	25,508	38,538	34,942	36,668	37,405	36,112	30,062
Bulk/Brush Pickups (tons)	17,046	18,862	16,131	17,511	5,819	6,920	7,674	7,368	7,846	16,611
Recyclables Collected (tons)	6,133	8,010	8,655	9,070	7,490	7,702	7,166	7,651	7,796	7,947
Golf Course										
Number of Paid Rounds Played	83,592	74,605	69,719	56,862	74,019	68,862	58,394	72,676	33,759	16,968

Source: City Departments

Notes: N/A = Data not available.

(a) - Starting in 2010, Leisure Services expanded the tracking of participants to include in all events held in City Leisure Services facilities. Prior to that time, participant figures only included those registered in City sponsored Leisure Services programs.
 In Fiscal Year 2015, the Golf Course was closed due to flooding from June to September.
 In Fiscal Year 2016, the Golf Course was closed due to flooding from September to March.

CITY OF CARROLLTON, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Table 19

Last Ten Fiscal Years
(Unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	35	34	32	31	34	34	36	36	36	36
Police Motorcycle Units	7	6	7	7	7	7	7	8	8	8
Fire Stations	7	7	7	7	7	7	7	8	8	8
Development Services										
Streets- Paved (miles)	1,142	1,140	1,147	1,142	1,142	1,142	1,176	1,176	1,176	1,176
Alleys - Paved (miles)	180	187	179	178	178	178	190	189	189	189
Cultural and Recreational										
Parks (acres)	1,693	1,463	1,463	1,494	1,493	1,493	1,493	1,493	1,493	1,493
Playgrounds	24	26	26	26	25	25	25	25	25	25
Swimming Pools	2	2	2	2	1	1	1	1	1	1
Splash Parks	-	-	-	-	-	-	-	-	-	-
Tennis Courts	29	27	27	29	29	29	29	29	29	29
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Senior Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	515	515	515	554	551	551	554	570	584	584
Fire Hydrants	4,564	4,623	4,886	4,894	4,895	4,937	4,995	5,110	5,192	5,278
Sanitary Sewers (miles)	426	412	435	431	403	403 (a)	410	414	417	417

Source: City Departments

Note:

(a) Decreases in Sanitary Sewer (miles) in 2010 and 2011 are due to updates made when converting the data from manual tracking to an electronic graphical information system.

CITY OF CARROLLTON, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES (FUNDING BASIS)

Table 20

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	Actuarial Value of Assets**	Actuarial Accrued Liability*	Funded Ratio (1/2)	Unfunded Actuarial Accrued Liability	Annual Covered Payroll	UAAL as a Percentage of ACP (4/5)	Total TMRS Required Contribution Rate	Prior Service Portion of the TMRS Rate								
2007	\$ 146,875,267	\$ 178,152,761	82.4%	\$ 31,277,494	\$ 41,951,353	74.6%	12.56%	3.45%								
2008	141,565,199	198,026,702	71.5%	56,461,503	42,811,373	131.9%	12.82%	3.65%								
2009	150,073,733	197,379,646	76.0%	47,305,913	45,747,413	103.4%	16.74%	6.43%								
2010	161,328,186	208,924,862	77.2%	47,596,676	46,403,538	102.6%	16.05%	5.53%								
2011	257,904,344	281,246,707	91.7%	23,342,363	45,234,987	51.6%	16.28%	5.39%								
2012	275,783,003	295,569,643	93.3%	19,786,640	44,593,544	44.4%	13.95%	2.98%								
2013	294,274,104	309,695,066	95.0%	15,420,962	45,175,371	34.1%	13.66%	2.61%								
2014	313,861,407	341,764,756	91.8%	27,903,349	46,640,263	59.8%	13.30%	2.04%								
2015	334,260,620	356,702,669	93.7%	22,442,049	48,904,096	45.9%	12.45%	4.82%								
2016	353,760,083	378,581,941	93.4%	24,821,858	52,561,347	47.2%	11.48%	3.92%								

* As of December 31 of the preceding year, the date of the actuarial valuation.

** Assets are stated at amortized cost as of December 31 of the preceding year for years 2006 to 2008. Beginning in 2009, actuarial value of assets is calculated using 10-year smoothing.

Source: Texas Municipal Retirement System

Notes:

The actuarial accrued liability was calculated using the Unit Credit actuarial funding method for fiscal years 2006 and 2007, Projected Unit Credit actuarial funding method for fiscal years 2008 to 2013, and Entry Age Normal actuarial funding method for fiscal year 2014 and 2015.

Fiscal year 2008 and forward actuarial accrued liability adjusted for plan changes adopted effective January 1, 2009.

Fiscal year 2009 and forward actuarial accrued liability adjusted for plan changes adopted effective January 1, 2010.

Fiscal years 2011 and forward includes the impact of Senate Bill 350 enacted by the Texas Legislature in June 2011. This legislation provided a restructuring of the Texas Municipal Retirement System funds effective December 31, 2010. Previously reported amounts included only Employee Savings Fund and Municipal Accumulation Fund but excluded the City's portion of the Current Service Annuity Fund (CSARF) in which costs for all retirees were shared. The legislation eliminated the CSARF returning both liabilities and assets for retirees to the respective employer accounts.

Fiscal year 2014 and forward includes an update to the mortality table used to determine the annuity purchase rate.

Effective in fiscal year 2015, GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" (GASB 68) created two actuarial valuations for pensions; a funding valuation and a reporting valuation. Trend information for the GASB 68 reporting valuation is included as Required Supplementary Information (RSI) immediately following the Notes to Basic Financial Statements. This table contains information on a funding basis only.

CITY OF CARROLLTON
ACTIVE AND RETIREE HEALTH INSURANCE COSTS
 Last Ten Fiscal Years
 (Unaudited)

Table 21

Fiscal Year	Total Health Plan Expenses ⁽¹⁾		Retiree Expenses ⁽¹⁾		Percentage Retiree Costs to Total		Active Members		Retirees Using City Health Plan		Total TMRS Retirees		Percentage Retirees Using Plan to Total Members		Retiree Contributions		Net Subsidy of Retirees		Subsidy as Percentage of Total Expense		Cost per Active Member		Cost per Retiree	
	Expenses ⁽¹⁾	Expenses ⁽¹⁾	Expenses ⁽¹⁾	Expenses ⁽¹⁾	to Total	to Total	Members	Members	Plan	Plan	Retirees	Retirees	Members	Members	Contributions	Contributions	Retirees	Retirees	Total Expense	Total Expense	Member	Member	Retiree	Retiree
2007	\$ 7,207,066	\$ 697,514	\$ 697,514	\$ 697,514	9.7%	9.7%	704	47	47	246	246	6.3%	6.3%	\$ 388,066	\$ 388,066	\$ (309,448)	\$ (309,448)	4.3%	4.3%	\$ 9,247	\$ 9,247	\$ 14,841	\$ 14,841	
2008	6,853,484	1,139,347	1,139,347	1,139,347	16.6%	16.6%	728	46	46	291	291	5.9%	5.9%	496,351	496,351	(642,996)	(642,996)	9.4%	9.4%	7,849	7,849	24,768	24,768	
2009	8,174,384	1,279,338	1,279,338	1,279,338	15.7%	15.7%	762	49	49	309	309	6.0%	6.0%	403,911	403,911	(875,427)	(875,427)	10.7%	10.7%	9,049	9,049	26,109	26,109	
2010	7,869,148	1,334,925	1,334,925	1,334,925	17.0%	17.0%	694	39	39	329	329	5.3%	5.3%	380,189	380,189	(954,736)	(954,736)	12.1%	12.1%	9,415	9,415	34,229	34,229	
2011	7,726,721	621,888	621,888	621,888	8.0%	8.0%	705	44	44	360	360	5.9%	5.9%	420,546	420,546	(201,342)	(201,342)	2.6%	2.6%	10,078	10,078	14,134	14,134	
2012	9,314,543	474,223	474,223	474,223	5.1%	5.1%	674	48	48	395	395	6.6%	6.6%	455,107	455,107	(19,116)	(19,116)	0.2%	0.2%	13,116	13,116	9,880	9,880	
2013	9,123,405	725,499	725,499	725,499	8.0%	8.0%	688	47	47	437	437	6.4%	6.4%	512,762	512,762	(212,737)	(212,737)	2.3%	2.3%	12,206	12,206	15,436	15,436	
2014	11,941,431	784,241	784,241	784,241	6.6%	6.6%	706	46	46	478	478	6.1%	6.1%	559,723	559,723	(224,518)	(224,518)	1.9%	1.9%	15,803	15,803	17,049	17,049	
2015	11,560,489	619,770	619,770	619,770	5.4%	5.4%	719	41	41	519	519	5.4%	5.4%	473,561	473,561	(146,209)	(146,209)	1.3%	1.3%	15,217	15,217	15,116	15,116	
2016	11,288,978	814,495	814,495	814,495	7.2%	7.2%	733	44	44	545	545	5.7%	5.7%	565,829	565,829	(248,666)	(248,666)	2.2%	2.2%	14,290	14,290	18,511	18,511	
Total	\$ 91,059,649	\$ 8,491,240	\$ 8,491,240	\$ 8,491,240	9.32%	9.32%	711	45	45	391	391	6.3%	6.3%	\$ 4,656,045	\$ 4,656,045	\$ (3,835,195)	\$ (3,835,195)	4.2%	4.2%	\$ 11,331	\$ 11,331	\$ 19,062	\$ 19,062	
Average	\$ 8,863,408	\$ 852,972	\$ 852,972	\$ 852,972										\$ 454,468	\$ 454,468	\$ (398,503)	\$ (398,503)							

Source: City Records, Third Party Administrator Records, Texas Municipal Retirement System (TMRS)

⁽¹⁾ Expenses do not include the change in Other Post Employment Benefits Obligation

CONTINUING FINANCIAL DISCLOSURE TABLES
(Unaudited)

The Continuing Financial Disclosure Tables present various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. This financial information provided to the Municipal Securities Rulemaking Board (MSRB) annually via the Electronic Municipal Market Access (EMMA) system.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-1
TAX AND DEBT FINANCIAL INFORMATION
(Unaudited)

2016 Appraised Value of Taxable Property ⁽¹⁾	\$ 15,088,266,215
Less Exemptions:	
Agricultural Land Use	\$ 72,420,406
Homestead	1,103,696,334
Disabled Veterans	17,411,058
Over 65	390,161,448
Disabled Persons	21,183,488
Totally Exempt	858,741,677
Freeport	505,323,258
Capped Value	163,333,474
Low Income Housing	11,138,500
Other Exemptions	<u>649,733</u>
Total Exemptions	<u>3,144,059,376</u>
 2016 Taxable Valuation ⁽¹⁾	 <u><u>\$ 11,944,206,839</u></u>
 Gross General Obligation Bonded Debt:	
General Purpose Bonds and Certificates (Par Value Only)	\$ 171,955,000
Less: General Obligation Interest & Sinking Fund Balances as of 09/30/2016	<u>4,691,760</u>
 Net General Obligation Bonded Debt	 <u><u>\$ 167,263,240</u></u>
 Ratio of Gross General Obligation Bonded Debt to 2016 Taxable Valuation	
	1.44%
Ratio of Net General Obligation Bonded Debt to 2016 Taxable Valuation	
	1.40%

2010 Census Population - 119,097
2016 Estimated Population - 127,980
Per Capita Taxable Valuation - \$93,329
Per Capita Gross General Obligation Bonds Bonded Debt - \$1,344
Per Capita Net General Obligation Bonds Bonded Debt - \$1,307

⁽¹⁾ As of certified tax roll provided to the City by Dallas, Denton and Collin County Appraisal Districts in July 2015 (Fiscal year 2016).

Source: City of Carrollton

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-2
VALUATION AND FUNDED DEBT HISTORY
(Unaudited)

<u>Fiscal Year</u>	<u>Taxable Valuation⁽¹⁾</u>	<u>% Valuation Increase/Decrease Over Prior Year (100% of Market Value Basis)</u>	<u>Funded Debt Outstanding at Year End</u>	<u>Ratio Funded Debt to Taxable Valuation %</u>
2007/08	\$9,291,057,815	9.41 %	\$ 153,704,298	1.65 %
2008/09	9,086,431,988	(2.20)	170,508,127	1.88
2009/10	9,203,400,425	1.29	175,695,040	1.91
2010/11	8,906,668,661	(3.22)	178,295,438	2.00
2011/12	8,897,348,983	(0.10)	165,799,299	1.86
2012/13	9,098,799,667	2.26	162,645,494	1.79
2013/14	9,556,642,945	5.03	168,728,244	1.77
2014/15	10,280,594,071	7.58	172,658,724	1.68
2015/16	11,086,019,064	7.83	178,954,418	1.61
2016/17	11,944,206,839	7.74	185,894,418	1.56

⁽¹⁾ Taxable Valuation based on initial Certified Tax Values. Amounts do not include disputed property values at time of tax roll certification.

TABLE CD-3
TOTAL TAXABLE VALUATION BY CATEGORY⁽¹⁾
(Unaudited)

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal & Other Property</u>		<u>Total Taxable Valuation</u>
	<u>Taxable Valuation</u>	<u>% of Total</u>	<u>Taxable Valuation</u>	<u>% of Total</u>	
2007/08	\$7,559,613,508	81 %	\$ 1,731,444,307	19 %	\$ 9,291,057,815
2008/09	7,426,041,202	82	1,660,390,786	18	9,086,431,988
2009/10	7,561,599,599	82	1,641,800,826	18	9,203,400,425
2010/11	7,280,575,560	82	1,626,093,101	18	8,906,668,661
2011/12	7,246,439,535	81	1,650,909,448	19	8,897,348,983
2012/13	7,301,613,573	80	1,797,186,094	20	9,098,799,667
2013/14	7,617,660,597	80	1,938,982,348	20	9,556,642,945
2014/15	8,257,175,594	80	2,023,418,477	20	10,280,594,071
2015/16	8,943,251,454	81	2,142,767,610	19	11,086,019,064
2016/17	9,676,011,654	81	2,268,195,185	19	11,944,206,839

⁽¹⁾Source: Dallas Central Appraisal District for fiscal years prior to 2007/08 and from Dallas, Denton and Collin County Appraisal Districts in fiscal year 2008/09 and later.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-4
TOTAL APPRAISED VALUATION BY CATEGORY⁽¹⁾
(Unaudited)

<u>Property Use Category</u>	<u>Tax Year 2016</u>	<u>Tax Year 2015</u>	<u>Tax Year 2014</u>	<u>Tax Year 2013</u>	<u>Tax Year 2012</u>
Real, Residential, Single Family, and Mobile Homes Real	\$ 7,051,127,518	\$ 6,269,937,367	\$ 5,721,942,087	\$ 5,338,349,776	\$ 5,254,431,497
Residential, Multiple Family	1,194,816,308	1,084,309,737	1,015,906,272	827,684,090	746,753,407
Real, Vacant Lots/Tracts	175,258,889	189,856,391	169,407,783	108,113,113	105,613,486
Real, Acreage (Land Only)	72,854,919	59,168,392	64,516,154	69,844,568	88,673,040
Real, Commercial, Industrial and Utilities	3,065,605,106	2,862,103,364	2,680,156,886	2,577,426,212	2,414,256,568
Tangible Personal, Commercial Industrial and Utilities	2,787,652,467	2,571,132,212	2,427,195,971	2,355,111,781	2,213,250,756
Tangible Personal, Special Inventory Other	52,925,440	45,021,244	42,505,979	40,776,009	37,355,798
Total Appraised Valuation ⁽²⁾	<u>\$14,400,240,647</u>	<u>\$13,081,528,707</u>	<u>\$12,121,631,132</u>	<u>\$11,317,305,549</u>	<u>\$10,860,334,552</u>

⁽¹⁾ The Total Appraised Valuation consists of the market valuation of all property within the City, before exemptions, and is determined by the Appraisal Districts each July. Certain items of classification have been combined in order to provide a consistent basis of comparison with the presentation from prior years. Amounts include certified values and estimated property under protest, and do not include values for totally exempt properties.

⁽²⁾ Represents gross values, prior to exemptions.

Source: Dallas, Denton, and Collin County Appraisal Districts.

TABLE CD-5
PERCENTAGE TOTAL APPRAISED VALUATION BY USE CATEGORY
(Unaudited)

<u>Property Use Category</u>	<u>Percent of Total Appraised Valuation for Tax Years</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Real Property					
Single-Family Residential	48.9%	47.8%	47.2%	47.2%	48.4%
Multi-Family Residential	8.3%	8.3%	8.4%	7.3%	6.9%
Vacant Lots/Tracts	1.2%	1.5%	1.4%	0.9%	1.0%
Acreage-Land Only	0.5%	0.5%	0.5%	0.6%	0.8%
Commercial, Industrial, and Utilities	21.3%	21.9%	22.1%	22.8%	22.2%
Tangible Personal Property					
Commercial, Industrial, and Utilities	19.4%	19.7%	20.0%	20.8%	20.4%
Other	<u>0.4%</u>	<u>0.3%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.3%</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.00%</u>	<u>100.0%</u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2016

TABLE CD-6
PROPERTY TAX RATES, LEVIES AND COLLECTIONS
(Year Ended 9-30)
 (Unaudited)

<u>Fiscal</u> <u>Year Ended</u>	<u>Tax Rate Distribution</u>			<u>Tax</u> <u>Levy for</u> <u>Fiscal Year</u> ⁽¹⁾	<u>Percent</u> <u>of Current</u> <u>Collections</u>	<u>Percent</u> <u>of Total</u> <u>Collections</u>
	<u>Total</u> <u>Tax</u> <u>Rate</u>	<u>Operating/</u> <u>General</u> <u>Fund</u>	<u>Interest</u> <u>and Sinking</u> <u>Fund</u>			
2007/08	\$ 0.6179	\$ 0.4391	\$ 0.1787	\$ 56,805,798	99.25 %	99.85 %
2008/09	0.6179	0.4321	0.1858	58,363,430	99.14 %	99.91 %
2009/10	0.6179	0.4157	0.2022	56,885,910	99.45 %	99.89 %
2010/11	0.6179	0.4062	0.2116	55,357,843	99.24 %	99.93 %
2011/12	0.6179	0.3985	0.2194	55,519,952	99.29 %	99.74 %
2012/13	0.6179	0.4119	0.2060	56,433,309	99.26 %	99.75 %
2013/14	0.6179	0.4144	0.2034	58,939,623	99.68 %	99.82 %
2014/15	0.6154	0.4174	0.1980	62,754,535	99.60 %	99.70 %
2015/16	0.6129	0.4201	0.1928	68,039,266	99.49 %	99.49 %
2016/17	0.6037	0.4258	0.1779	71,793,263	- (2)	- (2)

Source: City of Carrollton.

⁽¹⁾ Adjusted Tax Levy at Fiscal Year End.

⁽²⁾ In process of collection.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-7
TOP TEN TAXPAYERS
Fiscal Year 2017
(Unaudited)

<u>Name</u>	<u>Nature of Property</u>	<u>Total Taxable Value⁽¹⁾</u>	<u>% of Total Taxable Value</u>
1. Bella Vida Gardens Associates LLC	Apartments	\$ 63,627,083	0.53%
2. Mansions at Sunset Ridge Partners LP	Apartments	60,656,583	0.51%
3. Halliburton Energy Services	Manufacturing	56,934,898	0.48%
4. Cyrus One LLC	Technology	53,607,100	0.45%
5. Ari-International Business Park	Real Estate	49,600,000	0.42%
6. JPMorgan Chase Bank NA	Finance	49,568,750	0.42%
7. Carrollton Park Apartments of North Dallas	Apartments	48,574,877	0.41%
8. Texas Dugan Ltd.	Real Estate	46,852,701	0.39%
9. Oncor Electric Delivery	Real Estate	41,022,000	0.34%
10. Avenues at Carrollton	Apartments	<u>40,990,600</u>	<u>0.34%</u>
Total		<u>\$ 511,434,592</u>	<u>4.29%</u>

⁽¹⁾Total taxable value including real and personal property is \$11,944,206,839
Source: Dallas & Denton County Tax Office, City Report of Property Value, 2016. (Fiscal Year 2017)

TABLE CD-8
DEBT SERVICE FUND MANAGEMENT INDEX
(Unaudited)

General Obligation Debt Service Requirements, Fiscal Year Ending 9/30/17		\$ 21,131,626
Debt Service Fund, All General Obligation Issues 9/30/16	\$ 4,691,760	
Budget for Fiscal Year 2016/17 Debt Service Fund Tax Levy @ 98.5% Collection	21,157,785	<u>25,849,545</u>
Estimated Surplus Year Ending 9/30/17		<u>\$ 4,717,919</u>

TABLE CD-9
TAX ADEQUACY WITH RESPECT
TO THE CITY'S OUTSTANDING TAX SUPPORTED GENERAL OBLIGATION BONDS
(Unaudited)

Principal and Interest Requirements, Fiscal Year Ending September 30, 2017	\$ 21,131,626
\$0.177913 Tax Rate @ 98.5% Collection Procedures ⁽¹⁾	21,157,785

⁽¹⁾Total estimated net taxable value computed and adjusted for estimated valuation under protest, and TIRZ incremental value from 2016/17 budgeted tax year certified taxable valuation of \$12,073,308,147.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-10
MUNICIPAL SALES TAX
(Unaudited)

The City has adopted the provision of V.T.C.A., Tax Code, Chapter 321, as amended, which grants the City the power to impose and levy at 1% Local Sales and Use Tax within the City. The proceeds are credited to the General Fund and may not be pledged to debt service and are not pledged to the payment of the Bonds. Collections and enforcement are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

<u>Fiscal Year</u> <u>Ended 9/30</u>	<u>Total</u> <u>Collected</u>	<u>Percentage of</u> <u>Ad Valorem</u> <u>Tax Levy</u>	<u>Equivalent of</u> <u>Ad Valorem</u> <u>Tax Rate</u>	<u>Per Capita</u>
2007	\$ 22,021,647	41.75 % ⁽¹⁾	\$ 0.26 ⁽¹⁾	\$ 183.28
2008	21,474,564	38.51 ⁽¹⁾	0.24 ⁽¹⁾	178.13
2009	21,041,211	39.17 ⁽¹⁾	0.24 ⁽¹⁾	173.97
2010	19,947,850	35.90 ⁽¹⁾	0.22 ⁽¹⁾	163.37
2011	21,460,288	39.99 ⁽¹⁾	0.25 ⁽¹⁾	179.78
2012	24,100,500	43.99 ⁽¹⁾	0.27 ⁽¹⁾	198.93
2013	25,480,560	44.60 ⁽¹⁾	0.28 ⁽¹⁾	208.38
2014	27,491,706	45.05 ⁽¹⁾	0.28 ⁽¹⁾	220.99
2015	31,146,385	47.81 ⁽¹⁾	0.29 ⁽¹⁾	248.67
2016	34,553,336	48.13 ⁽¹⁾	0.29 ⁽¹⁾	269.99 ⁽²⁾

⁽¹⁾ Based on 98% collection rate of the total tax levy.

⁽²⁾ Based on estimated population of 127,980 as of September 30, 2016.

Note: The total sales tax and use tax rate in the City is 8 1/4%, of which 1% is imposed by the City, as described above 1% is imposed by the Dallas Area Rapid Transit authority, of which the City is a member city, and 6 1/4% is imposed by the State of Texas. These amounts do not include City sales tax collected on City services and mixed beverage taxes.

TABLE CD-11
COMPARATIVE MONTHLY SALES TAX COLLECTIONS⁽³⁾
(Unaudited)

<u>Month</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-15</u>
October	\$ 3,277,193	\$ 3,066,597	\$ 2,750,770
November	2,961,534	2,829,186	2,431,341
December	2,727,463	2,591,009	2,092,184
January	3,416,278 ⁽⁴⁾	3,616,273	2,957,889
February	2,648,209 ⁽⁴⁾	2,523,626	2,430,699
March	2,458,551 ⁽⁴⁾	2,442,655	2,055,525
April	3,125,832 ⁽⁴⁾	3,079,424	2,891,641
May	2,834,135 ⁽⁴⁾	2,750,521	2,608,953
June	2,943,121 ⁽⁴⁾	2,728,928	2,398,652
July	3,465,938 ⁽⁴⁾	3,207,316	3,241,927
August	2,952,881 ⁽⁴⁾	2,888,590	2,451,108
September	3,042,116 ⁽⁴⁾	2,829,211	2,835,696
	<u>\$ 35,853,251</u>	<u>\$ 34,553,336</u>	<u>\$ 31,146,385</u>

Source: Comptroller of Public Accounts; City of Carrollton

⁽³⁾ Amount does not include mixed beverage and sales taxes retained.

⁽⁴⁾ Budget amount.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-12
OUTSTANDING DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION DEBT
(Unaudited)

Fiscal Year	\$21,140,000⁽¹⁾					Total	
	Existing Debt	General Obligation Improvement Bonds			Total Debt Service		Debt Service
		Service	Principal	Interest			
Ended							
30-Sep	Service	Principal	Interest	Total Debt Service	Requirements		
2017	\$ 20,884,993	\$ -	\$ 246,633	\$ 246,633	\$ 21,131,626		
2018	20,193,168	1,095,000	739,900	1,834,900	22,028,068		
2019	19,352,368	1,135,000	701,575	1,836,575	21,188,943		
2020	17,823,417	1,175,000	661,850	1,836,850	19,660,267		
2021	16,441,018	1,215,000	620,725	1,835,725	18,276,743		
2022	15,020,067	1,255,000	578,200	1,833,200	16,853,267		
2023	14,075,068	1,300,000	534,275	1,834,275	15,909,343		
2024	13,495,067	1,345,000	488,775	1,833,775	15,328,842		
2025	13,489,781	1,395,000	441,700	1,836,700	15,326,481		
2026	11,982,100	1,440,000	392,875	1,832,875	13,814,975		
2027	10,590,700	1,495,000	342,475	1,837,475	12,428,175		
2028	9,191,800	1,545,000	290,150	1,835,150	11,026,950		
2029	9,203,768	1,600,000	236,075	1,836,075	11,039,843		
2030	7,219,693	1,655,000	180,075	1,835,075	9,054,768		
2031	4,911,688	1,715,000	122,150	1,837,150	6,748,838		
2032	3,399,487	1,775,000	62,125	1,837,125	5,236,612		
2033	3,397,113	-	-	-	3,397,113		
2034	2,697,787	-	-	-	2,697,787		
2035	1,265,250	-	-	-	1,265,250		
	<u>\$ 214,634,333</u>	<u>\$ 21,140,000</u>	<u>\$ 6,639,558</u>	<u>\$ 27,779,558</u>	<u>\$ 242,413,891</u>		

⁽¹⁾ Estimated 2017 debt issuance. Assumed interest rate of 3.5%

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-13
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS⁽¹⁾
(Unaudited)

<u>Authorization Purpose</u>	<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Prior Issuance</u>	<u>2017 Issuance</u>	<u>Balance Unissued</u>
Traffic Improvements	05/15/04	\$ 450,000	\$ 200,000	\$ 250,000	\$ -
Drainage Improvements	11/06/07	9,200,000	1,379,567	5,775,000	2,045,433
Street Improvements & Traffic Flow	11/05/13	43,175,000	19,530,222	13,680,000	9,964,778
Drainage Improvements	11/05/13	8,780,000	-	-	8,780,000
Parks & Rec. Facilities Improvements	11/05/13	8,545,000	6,635,000	1,435,000	475,000
		<u>\$ 70,150,000</u>	<u>\$ 27,744,789</u>	<u>\$ 21,140,000</u>	<u>\$ 21,265,211</u>

⁽¹⁾ This schedule reflects authorizations which have remaining balances outstanding. Prior authorizations have been completely utilized and are reflected in the total debt outstanding.

TABLE CD-14
GENERAL FUND⁽²⁾ COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
(Unaudited)

	<u>Fiscal Year Ended 9-30</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Fund Balance -					
Beginning of Year	\$ 19,086,008	\$ 20,804,224	\$ 18,393,387	\$ 18,339,631	\$ 16,571,044
Revenues:					
Taxes & Franchise Fees	84,177,069	78,296,612	73,353,751	67,972,223	65,912,159
Charges for Services	5,892,576	5,485,692	5,452,886	5,039,219	4,581,900
Fines and Forfeitures	5,714,631	6,833,415	7,057,819	6,235,333	5,471,923
Investment Income	460,909	337,074	260,719	129,958	185,007
Licenses and Permits	3,038,325	2,797,402	2,816,818	2,298,049	1,951,889
Intergovernmental	96,015	17,328	-	2,958	-
Miscellaneous	529,415	636,249	539,552	438,753	397,074
Total Revenues	<u>99,908,940</u>	<u>94,403,772</u>	<u>89,481,545</u>	<u>82,116,493</u>	<u>78,499,952</u>
Expenditures:					
General Government and Administration	14,014,017	14,249,773	14,233,668	13,818,786	12,894,095
Development Services	10,840,186	9,979,839	9,357,484	9,245,445	9,398,097
Public Safety	52,651,617	50,226,235	48,450,210	45,201,315	42,863,356
Cultural and Recreation	11,320,937	11,013,334	10,716,732	10,561,622	10,071,746
Net Transfers	8,613,175	10,652,807	4,312,614	3,235,569	1,504,071
Total Expenditures	<u>97,439,932</u>	<u>96,121,988</u>	<u>87,070,708</u>	<u>82,062,737</u>	<u>76,731,365</u>
Excess/Deficiency of Revenues over Expenditures	<u>2,469,008</u>	<u>(1,718,216)</u>	<u>2,410,837</u>	<u>53,756</u>	<u>1,768,587</u>
Fund Balance -					
End of Year	<u>\$ 21,555,016</u>	<u>\$ 19,086,008</u>	<u>\$ 20,804,224</u>	<u>\$ 18,393,387</u>	<u>\$ 18,339,631</u>

⁽²⁾The General Fund is the main operating fund of the City, used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in the General Fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The General Fund includes most of the basic operating services such as fire and police protection, environmental services, parks and recreation, libraries and street maintenance.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

**TABLE CD-15
GENERAL FUND
CURRENT OPERATIONS
(Unaudited)**

On September 20, 2016, the 2016-17 budget was adopted by the City Council. The following General Fund Operating Budget is presented on a budget basis presentation.

	2015-16	2016-17	2016-17
<u>Revenues</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Current Estimate⁽¹⁾</u>
Property Taxes	\$ 38,252,037	\$ 41,155,817	\$ 41,118,110
Sales Taxes	34,341,822	35,814,233	35,950,727
Franchise Fees	11,412,565	11,259,215	10,956,952
Licenses and Permits	3,038,325	3,043,206	2,934,919
Charges for Services	5,615,786	5,590,839	5,581,156
Fines and Forfeiture	5,683,469	5,943,903	5,771,443
Other Revenues	708,077	509,500	426,000
Investment Income	439,543	428,400	440,000
Transfers In	<u>2,921,983</u>	<u>2,913,158</u>	<u>2,913,158</u>
Total Revenues	<u>\$ 102,413,607</u>	<u>\$ 106,658,271</u>	<u>\$ 106,092,465</u>
<u>Expenditures</u>			
Personal Services	\$ 57,252,584	\$ 60,129,582	\$ 60,129,582
Supplies and Services	10,525,010	13,498,834	13,498,834
Utilities	2,337,790	2,296,971	2,296,971
Allocations	16,538,799	17,715,530	17,715,530
Capital Outlay	521,549	572,062	572,062
Transfers Out	<u>13,422,019</u>	<u>12,445,292</u>	<u>12,445,292</u>
Total Expenditures	<u>\$ 100,597,751</u>	<u>\$ 106,658,271</u>	<u>\$ 106,658,271</u>

⁽¹⁾As of November 30, 2016. City Staff monitors actual revenues and expenditures monthly and revisions are made to forecasted budget numbers as necessary to reflect changes in the economy and changes in laws or regulations that might affect operations.

⁽²⁾For annual budget purposes, the City utilizes an Administrative Services Fund for internal allocation of overall costs. For year-end financial reporting purposes, this fund is consolidated with the General Fund in the Comprehensive Annual Financial Report. The above figures represent only the General Fund as presented in the annual budget and do not include consolidation of the Administrative Services Fund.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-16
CURRENT INVESTMENTS
(Unaudited)

As of September 30, 2016 the following percentages of the City's investable funds were invested in the following investment categories and the weighted average maturity of the total City portfolio was 1.45 years

<u>Type of Investment</u>	<u>Amortized Value</u>	<u>Percentage</u>
Coupon Agencies	\$ 154,539,318	83.92%
Discount Agencies	3,961,929	2.15%
Government Pools ⁽¹⁾	<u>25,658,364</u>	<u>13.93%</u>
Total Securities	<u>\$ 184,159,611</u>	<u>100.00%</u>

⁽¹⁾The City's government pool investments are in the Texas Local Government Investment Pool ("TexPool") and the Local Government Investment Cooperative ("LOGIC"). TexPool and LOGIC are rated AAAM by S&P and operate in a manner consistent with Chapter 2256, Texas Government Code referred to as the Public Funds Investment Act.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2016

TABLE CD-17
WATER & WASTEWATER SYSTEM
REVENUE BOND DEBT SERVICE REQUIREMENTS
 (Unaudited)

Year Ending <u>9/30</u>	Existing Debt		Total Debt Service Requirements
	<u>Principal</u>	<u>Service Interest</u>	
2017	\$ 1,310,000	\$ 524,379	\$ 1,834,379
2018	1,360,000	470,604	1,830,604
2019	1,425,000	414,778	1,839,778
2020	1,485,000	356,654	1,841,654
2021	1,545,000	295,704	1,840,704
2022	1,605,000	232,279	1,837,279
2023	1,200,000	178,603	1,378,603
2024	1,055,000	136,754	1,191,754
2025	1,100,000	91,360	1,191,360
2026	410,000	42,000	452,000
2027	<u>430,000</u>	<u>21,500</u>	<u>451,500</u>
Totals	<u>\$ 12,925,000</u>	<u>\$ 2,764,615</u>	<u>\$ 15,689,615</u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-18
WATER AND WASTEWATER SYSTEM OPERATING STATEMENT AND
REVENUE BONDS COVERAGE
(Unaudited)

	Fiscal Year Ended 9/30			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues	\$ 37,738,309	\$ 35,668,929	\$ 34,102,074	\$ 35,256,384
Expenses:				
Personal Services	4,160,938	3,740,948	3,683,454	3,483,877
Supplies and Services	23,785,815	21,505,088	21,764,025	21,477,817
Utilities	874,429	858,560	694,054	909,152
Allocations	1,209,405	1,175,733	1,195,384	1,074,436
Provision for				
Doubtful accounts	44,919	44,450	47,877	40,471
Transfers Out	3,663,133	3,587,841	3,651,703	3,454,158
Total Expenses	<u>33,738,639</u>	<u>30,912,620</u>	<u>31,036,497</u>	<u>30,439,911</u>
Net Available for Debt Service	<u>\$ 3,999,670</u>	<u>\$ 4,756,309</u>	<u>\$ 3,065,577</u>	<u>\$ 4,816,473</u>
Customer Count				
Water/Sewer	36,841	38,975	36,055	35,710
Average Annual Debt Service	\$ 1,426,329	\$ 1,307,468	\$ 1,488,696	\$ 1,552,989
Coverage	2.80 x	3.64 x	2.06 x	3.10 x
Average Annual Debt Service - 2017/2027				\$ 1,426,329
Coverage of Average Annual Debt Service at 9/30/16 Net Available				\$ 2.80 x
Maximum Annual Debt Service - 2017/2027				\$ 1,841,654
Coverage of Maximum Annual Debt Service at 9/30/16 Net Available				\$ 2.17 x

TABLE CD-19
FUND BALANCES
(As of September 30, 2016)
(Unaudited)

Reserve Fund	\$ 1,426,329
Interest and Sinking Fund	<u>764,325</u>
Total Fund Balances	<u>\$ 2,190,654</u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-20
WATER AND WASTEWATER OPERATING FUND
SUMMARY OF BUDGETED REVENUES AND EXPENDITURES
(Unaudited)

	2015-16	2016-17
	Actual ⁽¹⁾	Adopted Budget ^{(1) (2)}
<u>Beginning Operating Funds</u>	\$ 12,248,104	\$ 10,684,776
<u>Revenues</u>		
Water Sales & Charges	23,209,713	23,673,949
Sewer Sales & Charges	12,918,134	13,224,811
Rate Increase	-	968,767
Tag & Reconnect Fees	393,975	384,000
Industrial Surcharge	462,988	300,000
Backflow Prevention Charges	175,049	175,000
Investment Income	104,670	71,820
Miscellaneous	215,884	265,000
Total Revenues	\$ 37,480,413	\$ 39,063,347
<u>Total Funds Available</u>	\$ 49,728,517	\$ 49,748,123
<u>Expenditures</u>		
Personal Services	3,020,194	3,288,915
Supplies and Services	22,935,277	24,870,426
Utilities	867,232	849,384
Allocations	4,110,100	4,237,888
Capital Outlay	-	-
Canceled Encumbrances	(1,539)	-
Transfers Out	7,215,265	7,234,848
Total Expenditures	\$ 38,146,529	\$ 40,481,461
<u>Ending Operating Funds</u>	\$ 11,581,988	\$ 9,266,662

⁽¹⁾Budget basis.

⁽²⁾Includes a projected average increase of 3.5% on water and sewer rates effective 1/1/2017.

TABLE CD-21
UTILITY PLANT IN SERVICE
(As of September 30, 2016)
(Unaudited)

Land	\$ 1,382,918
Utility Plant	257,627,958
Equipment and Intangibles	5,851,094
Total Capital Assets	264,861,970
Less Accumulated Depreciation	(139,366,148)
Net Utility Plant in Service	\$ 125,495,822

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-22
WATER AND WASTEWATER FUND
CITY'S EQUITY IN SYTEM
(Unaudited)

	Fiscal Year Ending September 30			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Water & Wastewater				
System in Service	\$264,861,970	\$262,394,907	\$257,307,793	\$249,685,818
Reserve for Depreciation	<u>(139,366,148)</u>	<u>(132,053,043)</u>	<u>(124,943,330)</u>	<u>(117,562,240)</u>
Net plant in Service	125,495,822	130,341,864	132,364,463	132,123,578
Construction Funds Net Position	<u>10,930,257</u>	<u>9,882,200</u>	<u>9,975,764</u>	<u>12,147,839</u>
Net Plant in Sevice and Coming on Line	<u>136,426,079</u>	<u>140,224,064</u>	<u>142,340,227</u>	<u>144,271,417</u>
Plus Other Assets/Deferred Outflows of Resources	1,438,770	537,237	258,338	270,392
Plus Operating Working Capital	<u>12,195,938</u>	<u>12,528,176</u>	<u>12,779,879</u>	<u>15,470,991</u>
Assets and Deferred Outflows of Resources Net of Current Liabilities and Debt Reserves	<u>150,060,787</u>	<u>153,289,477</u>	<u>155,378,444</u>	<u>160,012,800</u>
Long Term Debt	12,169,237	13,578,357	14,937,477	16,251,597
Less Debt Reserves	<u>(1,426,329)</u>	<u>(1,460,318)</u>	<u>(1,488,696)</u>	<u>(1,552,989)</u>
Net Long Term Debt	10,742,908	12,118,039	13,448,781	14,698,608
Plus Other Liabilities/ Deferred Inflows of Resources	<u>2,027,075</u>	<u>1,006,277</u>	<u>589,837</u>	<u>588,319</u>
Total Obligations and Deferred Inflows of Resources	12,769,983	13,124,316	14,038,618	15,286,927
City's Equity in System	<u>\$137,290,804</u>	<u>\$140,165,161</u>	<u>\$141,339,826</u>	<u>\$144,725,873</u>
% Equity	91.49%	91.44%	90.96%	90.45%

Notes:

The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.

The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years presented have not been restated for the effects of this standard.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-23
TOP TEN WATER CUSTOMERS
AS OF 9/30/2016
(Unaudited)

<u>Name</u>	<u>Type</u>	<u>Revenues</u>	<u>% of Total Water Revenues⁽¹⁾</u>
1. Carrollton-Farmers Branch ISD	School District	\$ 457,400	1.97%
2. Lewisville ISD	School District	199,065	0.86%
3. Autumn Chase Apartments	Apartments	131,582	0.57%
4. Western Extrusions	Manufacturing	118,414	0.51%
5. Springs of Indian Creek Apartments	Apartments	104,895	0.45%
6. Dawntree Apartments	Apartments	100,750	0.43%
7. Bellas Vida at Coyote Ridge	Apartments	99,599	0.43%
8. Rudy's Tortillas	Apartments	97,999	0.42%
9. Mansions at Sunset Ridge	Apartments	97,821	0.42%
10. Duke Realty Svcs	Apartments	88,870	0.38%
TOTAL		\$ 1,496,395	6.44%

NOTES:

⁽¹⁾Total water revenues from October 1, 2015 through September 30, 2016 was \$ 23,209,713

Source: City of Carrollton Utility Customer Service Department.

TABLE CD-24
WATER USAGE
(Unaudited)

<u>Fiscal Year Ended 9/30</u>	<u>Average Daily Use In Gallons</u>	<u>Maximum Daily Use In Gallons</u>	<u>Total Gallons for Year</u>
2007	19,255,000	38,849,000	7,028,198,000
2008	22,547,000	43,175,000	8,229,714,000
2009	21,117,000	41,162,000	7,707,993,000
2010	19,635,000	40,022,000	7,166,971,000
2011	22,311,000	41,106,000	8,143,386,000
2012	20,808,000	40,680,000	7,594,764,000
2013	20,171,000	38,388,000	7,362,343,000
2014	18,890,000	32,262,000	6,954,726,000
2015	19,548,000	41,609,000	7,151,918,000
2016	19,524,000	35,439,000	7,126,366,000

Source: City of Carrollton Water Distribution Department.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2016

TABLE CD-25
WATER & WASTEWATER RATES⁽¹⁾
 (Unaudited)

Monthly Water Rates:

Minimum monthly charge, including the first 2,000 gallons of use:

Single-family residential domestic and irrigation use	\$	12.13
Commercial (including apartments and portable meters), industrial and commercial irrigation use:		
5/8" meter	\$	12.38
1" meter		19.07
1.5" meter		30.26
2" meter		43.67
3" meter		79.42
4" meter		119.64
6" meter		231.40
8" meter		365.52
10" meter		521.96
Fire Line regardless of size		67.42

Use over the 2,000 gallons included in the minimum monthly charge:

Single-family residential domestic use		
Meter Readings from October through April:		
All Over 2,000 gallons (per 1,000 gallons)	\$	3.04
Meter Readings from May through September		
Next 8,000 gallons (per 1,000 gallons)		3.04
All Over 10,000 gallons (per 1,000 gallons)		4.09
All Over 25,000 gallons (per 1,000 gallons)		5.12
Irrigation use:		
Next 23,000 gallons (per 1,000 gallons)	\$	3.12
Next 25,000 gallons (per 1,000 gallons)		3.73
Next 50,000 gallons (per 1,000 gallons)		4.22
Next 100,000 gallons (per 1,000 gallons)		4.77
All use over 200,000 gallons (per 1,000 gallons)		5.32
Commercial use (including apartments and portable meters)		
All use over 2,000 gallons (per 1,000 gallons)	\$	2.10
Industrial Use: Industrial use rates for water service will apply to customers in the business of assembly or manufacturing of goods and for which water usage equals or exceed 750,000 gallons per month for nine out of twelve months in the year:		
All use over 2,000 gallons (per 1,000 gallons)	\$	1.84

Monthly Sewer Rates:

Residential use:		
First 2,000 gallons, minimum	\$	11.47
All use over 2,000 gallons (per 1,000 gallons)		2.39
Commercial (including apartments), Industrial and Irrigation minimum monthly charges, including the first 2,000 gallons of use:		
5/8" meter	\$	11.47
1" meter		16.60
1.5" meter		25.11
2" meter		35.32
3" meter		62.58
4" meter		93.20
6" meter		178.31
8" meter		280.45
10" meter		399.60
Commercial and Industrial use:		
All use over 2,000 gallons (per 1,000 gallons)	\$	2.39

⁽¹⁾ Rates effective February 1, 2017.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2016

TABLE CD-26
COMPARATIVE WATER AND SEWER REVENUES, EXPENSES AND CHANGES IN NET POSITION
(GAAP BASIS)
Fiscal Year End 9-30
(Unaudited)

	2016	2015	2014	2013
Operating revenues:				
Charges for services	\$ 37,361,058	\$ 35,301,330	\$ 33,789,304	\$ 35,171,954
Miscellaneous	204,467	174,697	159,535	99,716
Total operating revenues	<u>37,565,525</u>	<u>35,476,027</u>	<u>33,948,839</u>	<u>35,271,670</u>
Operating expenses:				
Personal services	4,160,938	3,740,948	3,683,454	3,483,877
Supplies and Services	23,830,734	21,549,538	21,811,902	21,518,288
Utilities	874,429	858,560	694,054	909,152
Allocations	1,209,405	1,175,733	1,195,384	1,074,436
Depreciation	7,443,949	7,291,949	8,077,819	7,876,715
Total operating expenses	<u>37,519,455</u>	<u>34,616,728</u>	<u>35,462,613</u>	<u>34,862,468</u>
Income (loss) from operations	<u>46,070</u>	<u>859,299</u>	<u>(1,513,774)</u>	<u>409,202</u>
Nonoperating revenues (expenses):				
Investment earnings net of change in fair v:	172,784	192,902	153,235	(15,286)
Gain on sale/retirement of capital assets	37,256	29,757	95,377	53,619
Interest expense	<u>(477,678)</u>	<u>(521,786)</u>	<u>(573,215)</u>	<u>(626,585)</u>
Total nonoperating revenues (expenses)	<u>(267,638)</u>	<u>(299,127)</u>	<u>(324,603)</u>	<u>(588,252)</u>
Income (loss) before contributions and transfers	<u>(221,568)</u>	<u>560,172</u>	<u>(1,838,377)</u>	<u>(179,050)</u>
Capital contributions	1,003,684	2,027,734	2,104,033	1,522,804
Transfers in	6,660	-	-	-
Transfers out	<u>(3,663,133)</u>	<u>(3,587,841)</u>	<u>(3,651,703)</u>	<u>(3,454,158)</u>
Change in net position	<u>(2,874,357)</u>	<u>(999,935)</u>	<u>(3,386,047)</u>	<u>(2,110,404)</u>
Net position at beginning of year, as previously reported	140,165,161	141,339,826	144,725,873	146,836,277
Impact of change in accounting principle	<u>-</u>	<u>(174,730)</u>	<u>-</u>	<u>-</u>
Net position at beginning of year, as restated	140,165,161	141,165,096	144,725,873	146,836,277
Net position at end of year	<u>\$137,290,804</u>	<u>\$140,165,161</u>	<u>\$141,339,826</u>	<u>\$144,725,873</u>

Notes:

The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.

The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years presented have not been restated for the effects of this standard.



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Where Connections Happen

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